

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 31 (Senators Green and Boozer)

Budget and Taxation

Tax Sale Procedure - Notice to Tenants

This bill requires a plaintiff, in an action to foreclose the right of redemption of property subject to tax sale, to send written notice of the action to foreclose to each tenant of the property.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: None.

Local Effect: Minimal effect on local revenues. Expenditures would not be affected.

Small Business Effect: Minimal impact on small businesses. Requiring tax sale purchasers to notify property tenants of an action to foreclose a right of redemption could increase postage and other administrative costs for any purchasers that qualify as small businesses.

Fiscal Analysis

Local Revenues: This bill's notification requirement creates an additional burden for the purchaser of a property at a county tax sale and may discourage prospective purchasers from participating in these tax sales. If this is the case, more tax sale certificates could eventually become a county's responsibility and delay the county's ability to collect any overdue taxes, penalties, and interest from these properties. Any such impact would be minimal.

Information Sources: Department of Assessments and Taxation, Allegany County, Prince George's County, Department of Legislative Services

Fiscal Note History:

First Reader - January 26, 1998

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