

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 552 (Senator Colburn)

Budget and Taxation

Tax Sales - High-Bid Premiums

This emergency bill changes the calculation of high-bid premiums imposed on tax sale bidders for non-agricultural property from 20% of the amount by which the highest bid exceeds 40% of the property's full cash value to 20% of the amount by which the highest bid exceeds the property's full cash value.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal. This bill may decrease the number of tax sales subject to the premium which could potentially decrease revenues by a minimal amount.

Small Business Effect: None.

Fiscal Analysis

Background: Chapters 326 and 786 of 1998 established that the high-bid premium to be applied to all properties offered for a tax sale is 20% of the amount by which a property's highest bid exceeds 40% of that property's full cash value. In addition, a tax collector or auctioneer is allowed to refuse any bids that are not made in good faith, and a potential bidder must meet certain eligibility requirements in order to bid on properties.

Information Source(s): Prince George's County, Baltimore City, Washington County, Montgomery County, Worcester County, Kent County

Fiscal Note History:

First Reader - March 11, 1999

dmm/jr

Analysis by: Joanna Rooney

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510