

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 529
Budget and Taxation

(Senator Colburn)

Talbot County - Tax Sales - Auctioneer's Fee

This bill alters the auctioneer's fees for property sold at a tax sale in Talbot County so that the fee is \$10 for each property sold. However, in no event may the fee be less than \$50 or greater than \$200 a day.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: None. The auctioneer's fee is paid by bidders for property subject to tax liens and is a pass through cost that allows Talbot County to cover the costs of conducting the auction.

Small Business Effect: Minimal.

Analysis

Current Law: The auctioneer's fee for properties sold at a tax sale auction in Talbot County is set at \$10 on a day when three or fewer properties are sold and \$3 per property on a day when four or more properties are sold. The Talbot County Sheriff currently conducts the tax sale auction.

Background: When a property is purchased at a tax sale, the purchaser must pay to the tax collector any delinquent taxes, penalties, sale expenses, and under certain conditions,

a high bid premium. The remainder of the purchase price is not paid to the collector until the purchaser forecloses on the property. The property owner has the right to redeem the property within six months from the date of the tax sale by paying the delinquent taxes, penalties, interest, and certain expenses of the purchaser. If the owner redeems the certificate, the purchaser is refunded the amounts paid to the collector plus the interest and expenses. If the owner does not redeem the certificate, the purchaser has the right to foreclose on the property after the six-month right of redemption period has passed. Generally within two years, if the right to foreclose is not exercised by the purchaser, the certificate is void and the purchaser is not entitled to a refund of any monies paid to the collector.

Local Fiscal Effect: The Talbot County Sheriff conducts the annual tax sale auction each spring. The County Sheriff advises that increasing the fee would allow the county to more fully recover the cost of conducting the auction. The fee is paid by bidders for property subject to tax liens.

Additional Information

Prior Introductions: None.

Cross File: HB 484 (Talbot County Delegation) – Ways and Means.

Information Source(s): Talbot County, Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2005
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