

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1222
Ways and Means

(Delegate Conaway)

Budget and Taxation

Baltimore City - Tax Sales - Notice Requirements

This bill requires that when notice is sent to the owner of a property in Baltimore City at least 30 days prior to the first advertisement of the property before a tax sale, the notice must include an itemized list of the source and amount of each tax due that the collector seeks to recover through the tax sale.

Fiscal Summary

State Effect: None.

Local Effect: The bill is not expected to affect Baltimore City finances. The city advises that it currently itemizes lien information when sending tax sale-related documents.

Small Business Effect: None.

Analysis

Current Law: At least 30 days before any property is first advertised for sale before a tax sale, the tax collector must mail to the person who last appears as owner of the property on the collector's tax roll a statement giving the name of the person and the amounts of taxes due. The statement must include specified language explaining that the property will be sold at tax sale to satisfy outstanding taxes if they are not paid by a specified date. The mailing must include a separate insert that informs the homeowner about the tax sale process and of specified programs, tax credits, and other services that may be available.

For general information about the tax sale process, see the **Appendix – Tax Sale Process**.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore City; Judiciary (Administrative Office of the Courts);
Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2021
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Appendix – Tax Sale Process

In general, a tax collector must sell, at an auction, not later than two years from the date the tax is in arrears, all property in the county on which the tax is in arrears. However, this requirement does not apply in Baltimore City, and statute is silent as to any timeline for the sale. The time for the tax sale is established by local law. Failure of the collector to sell the property within the two-year period does not affect the validity or collectability of any tax or the validity of any sale subsequently made.

The tax collector sets specified terms for the auction and publishes public notice of the tax sale, including requirements for potential bidders.

When a property is purchased at a tax sale, the purchaser must pay to the tax collector any delinquent taxes, penalties, sale expenses, and a high-bid premium, if any. The terms for payment of the purchase price and high-bid premiums, if any, are determined by the collector.

Generally, the property owner has the right to redeem the property within six months from the date of the tax sale by paying the total lien amount on the property, delinquent taxes, penalties, interest, and certain expenses of the purchaser. If the owner redeems the property, the purchaser is refunded the amounts paid to the collector plus the interest and expenses. If the owner does not redeem the property, the purchaser has the right to foreclose on the property after the six-month right of redemption period has passed. Under most circumstances, if the right to foreclose is not exercised by the purchaser within two years, the certificate of sale is void, and the purchaser is not entitled to a refund of any monies paid to the collector.

Chapter 440 of 2020 requires the State Department of Assessments and Taxation (SDAT) to issue a report each year that includes an analysis and summary of the information collected through an annual tax sale survey. Each county must provide SDAT all specified information on the form that SDAT provides. For more information regarding tax sales in the State – see [2020 Annual Maryland Tax Sale Report](#).