

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 724

(Senator McCray)

Budget and Taxation

---

**Baltimore City - Tax Sales - Heir-Occupied Property and Registry**

---

This bill extends existing available protections for homeowners in Baltimore City – against the sale of the lien on their home at a tax sale – to residential property occupied by an heir of a deceased owner. The bill also requires Baltimore City to establish a registry for properties designated to be withheld from tax sale.

---

**Fiscal Summary**

**State Effect:** Annuity Bond Fund (ABF) revenues may be delayed and/or reduced, beginning in FY 2026, as discussed below. Expenditures are not expected to be affected.

**Local Effect:** Baltimore City revenues may be delayed and/or reduced, beginning in FY 2026, and expenditures may increase, as discussed below. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** Potential meaningful.

---

**Analysis**

**Bill Summary:**

*Properties Withheld from Tax Sale*

The bill requires the tax collector in Baltimore City to withhold from sale residential property occupied by an heir of a deceased owner when the total taxes on the property, including interest and penalties, amount to less than \$750. The bill also authorizes the tax collector in Baltimore City to withhold from sale (1) residential property occupied by an

heir of a deceased owner if the property meets objective criteria established by the Mayor and City Council and (2) a dwelling owned by a homeowner or occupied by an heir of a deceased homeowner, who is low-income, at least age 65, or disabled, if the homeowner or heir meets eligibility criteria established by the Mayor and City Council.

### *Registry for Properties Withheld from Tax Sale in Baltimore City*

Baltimore City must establish a registry for interested parties to designate a property to be withheld from tax sale. On request of the Mayor and City Council, the State Department of Assessments and Taxation (SDAT) must assist Baltimore City in creating and maintaining the registry.

**Current Law:** The tax collector in Baltimore City must withhold from sale owner-occupied residential property when the total taxes on the property, including interest and penalties, amount to less than \$750. The governing body of a county or municipality may withhold from sale (1) owner-occupied residential property that meets objective criteria established by the governing body and (2) a dwelling owned by a homeowner who is low-income, at least age 65, or disabled, if the homeowner meets eligibility criteria established by the county or municipality.

**State Fiscal Effect:** ABF revenues (State property tax revenues) may be delayed and/or reduced, beginning in fiscal 2026, to the extent that properties affected by the bill are withheld from tax sale under the bill's authority that would not otherwise have been withheld from sale under existing authority, affecting the timing and amount of State property tax revenues collected from those properties. Any impact cannot be reliably estimated.

Debt service payments on the State's general obligation bonds are paid from the ABF. Revenue sources for the fund include State property taxes; premium from bond sales; and repayments from certain State agencies, subdivisions, and private organizations.

This analysis assumes that any assistance requested of SDAT in creating and maintaining the registry is limited to guidance and information and can be provided with existing resources.

**Local Fiscal Effect:** Baltimore City revenues may be delayed and/or reduced, beginning in fiscal 2026, to the extent that properties affected by the bill are withheld from tax sale under the bill's authority that would not otherwise have been withheld from sale under existing authority, affecting the timing and amount of Baltimore City tax and other revenues collected from those properties. Any impact cannot be reliably estimated.

Baltimore City may incur programming and/or personnel costs to establish and maintain a registry for interested parties to designate a property to be withheld from tax sale; however, any potential costs have not been quantified. The city does not currently have a comparable registry.

**Small Business Effect:** Small businesses that generate revenue from tax sales in Baltimore City may be meaningfully affected to the extent the bill's changes reduce the number of liens offered for sale at tax sales in Baltimore City.

**Additional Comments:** Descriptions of the tax sale process and related subjects are included on the Office of the State Tax Sale Ombudsman [web page](#) on SDAT's website, along with the office's most recent annual report, which contains data on tax sales in the State.

---

### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Baltimore City; Judiciary (Administrative Office of the Courts); Register of Wills; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2025  
rh/sdk

---

Analysis by: Donovan A. Ham

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510