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TO: The Honorable Guy Guzzone
Chair, Budget and Taxation Committee

FROM: Hannibal G. Williams II Kemerer
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: SB0194 – Property Tax - Deadline Extension for Homeowners to Redeem Property
Involved in a Tax Sale – **Letter of Support**

The Office of Attorney General urges this Committee to favorably report SB 194. If passed, this State Department of Assessments and Taxation departmental bill will take effect on October 1, 2022. This bill would extend by two months the period of time in which an owner who is behind on their property taxes can “redeem” their property, after it is sold at tax sale, without having to pay various fees (e.g., certain recordation costs, a title search fee up to \$250, and reasonable attorney’s fees of up to \$500). There is a cottage industry in tax sales, in which investors buy hundreds of livable properties at tax sale in the hope that the owner will redeem them by paying the tax-sale-purchaser’s expenses. The law had a safe harbor, though, allowing the owner to avoid having to pay those expenses if he or she redeemed the property within the four months following the tax sale. In the era of pandemic-induced financial losses for average Marylanders, this bill would extend that period to six months. It is good for residents, particularly low-income homeowners, and is bad for investors, who see the tax sale process as a way to reap interest income off of unsuspecting homeowners.

For the foregoing reasons, the Office of the Attorney General urges a favorable report of the Senate Bill 194.

cc: Members of the Budget and Taxation Committee