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SB 192 / HB 49 - UNFAVORABLE

Dear Committee Members,

I am an attorney whose law practice focuses almost entirely on tax sales and am a member of the Maryland Tax Sale Participants Association (MTSPA). I have been doing tax sale work for over 25 years. I am one of the largest tax sale foreclosure filers in the State of Maryland. Members of the MTSPA buy the bulk of the tax liens in Maryland each year and provide the State and Counties with millions of dollars in funding annually. I have testified before your committee for many, many years on tax sale issues, as it is clear that the anti tax sale lobby is never satisfied and will never stop attacking the tax sale system until they reach their ultimate goal of making tax sale disappear. I would like to state that I, my clients, and the MTSPA strongly oppose this bill.

This bill is previous HB 243 (2024), that was negotiated and approved by all parties (tax sale participants and anti-tax sale lobby), WITH THE EXCEPTION that instead of adding water bills back into tax sale for non-owner occupied (investor) properties, this bill actually does the opposite and removes all water bills from tax sale throughout the State. This bill removes what was bargained for by the tax sale participants (adding back water bills on investor properties), yet keeps all of what was conceded by the tax sale participants (lower interest rate, longer time frames, etc, etc.) This is very dirty politics by the anti-tax sale lobby. HB 243 (2024) was passed in its final and agreed form in 2024 by both the house and the senate, but it was very late in the session so there was not enough time to bring it to the floor for passage into law. It is extremely underhanded to bring this bill back in 2025 as if it is just the same bill as last year - IT IS NOT. In fact, the bill goes even farther and against of what was passed last year, and significantly hurts County revenue, by removing all water bills from tax sale throughout the state - the opposite of adding back water bills for non-owner-occupied properties like last year's bill.

This bill does the following:

1. Raises the threshold for owner occupied properties to go into tax sale from \$750 to \$1,000
2. Lowers owner occupied interest from 12% to 10%
3. Extends the start date on owner occupied foreclosures from 7 to 10 months after sale
4. Takes water bills out for the whole state
5. Gives occupants 90 days to move out after judgment instead of 30 days.

All of these changes are problematic and have significant implications on tax revenue to municipalities, when the State is already facing a \$3 billion budget shortage. Now is not the time to be tinkering with the tax sale system and vital tax sale revenue.

This bill should be tabled to allow the tax sale participants and the anti-tax sale lobby to come up with agreed revisions that are in line with HB 243 (2024) that passed the House and Senate Committees last year, and that are revenue neutral and will not hurt vial State and County property tax revenue

Very truly yours,

J Scott Morse

J. Scott Morse, Esq