House Bill 1246

Property Tax - In Rem Foreclosure and Sale - Vacant and Abandoned Property

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 27, 2018

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1246. This bill generally gives counties the authority, if enabled under local law, to withhold vacant and abandoned properties from tax sale and instead take ownership of the properties themselves after implementing traditional foreclosure.

Over the interim, MACo participated in the Task Force to Study Tax Sales in Maryland, along with representatives from Baltimore City, Dorchester and Prince George's Counties; the Maryland Municipal League; the Maryland Department of Housing and Community Development; community development organizations; the Maryland Bar Association; and tax lien and tax sale participant associations.

Over the course of the Task Force's meetings, several representatives put forth novel ideas both on how to tweak the tax sale process to encourage blight remediation, and how to facilitate educational and counseling opportunities to help homeowners avoid tax sale altogether. This bill is one of several pieces of legislation put forth to facilitate blight remediation efforts.

Counties find tax sale as an effective means of last resort to collect overdue tax bills and other fees owed local governments. Some counties, however, find that a number of blighted properties appear on the tax sale rolls over and over again, only to remain unsold. In these instances, the county is wholly unable to facilitate collections through the tax sale process, and the property remains a nuisance to law-abiding taxpayers. This bill, along with a number of other bills originating from the Task Force, will enable counties to break this fruitless and administratively burdensome cycle and instead turn the properties over to more productive use.

For the reasons stated above, MACo **SUPPORTS** HB 1246 and urges the Committee to grant it a **FAVORABLE** report.