



Senate Bill 227

Tax Sales – Redemption of Property – Taxes, Interest, and Penalties

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: February 13, 2013

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** SB 227. This bill would repeal a requirement that a person redeeming a property sold at tax sale pay any taxes, interest and penalties that have accrued after the date of the tax sale to the county.

MACo is concerned that this legislation would undermine the tax sale process and result in properties being placed in tax sales for multiple years while back-paid tax continues to accrue. When a property is sold at tax sale, the holder of a certificate of sale can foreclose a person's right of redemption anywhere from 6 months to 2 years after the sale. If a purchaser has started legal proceedings to foreclose the right of redemption towards the end of the two year window it can take another full year to go through the process. If a property owner were to redeem in this situation before a judgment is issued, it would result in leaving three years of taxes open, and then depending on the time of the year, it could be another whole year before the property sells, which could effectively result in a 4 year lag in property tax collections.

While it may be envisioned that SB 227 would make it easier for people to redeem their homes, the bill is really perpetuating the situation. Many times these properties fall back into tax sale the following year as a homeowner with delinquent taxes finds it extremely difficult to pay subsequently accrued and delinquent taxes.

The tax sale process presents a much-needed device to ensure that property owners remit payment for their fair share of taxes and charges connected to public services. MACo respectfully requests that actions not be taken to compromise this process.

For these reasons, MACo urges the Committee to give SB 227 and **UNFAVORABLE** report.