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MAYOR

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SB 855

March 8, 2023

TO: Members of the Senate Budget and Taxation Committee
FROM: Nina Themelis, Interim Director of the Office of Government Relations
RE: Senate Bill 855 – Property Tax – In Rem Foreclosure

POSITION: Support

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 855.

SB 855 would allow for Baltimore City, at its option, to expand the Judicial In Rem foreclosure tool to include properties that are defined as “vacant” or “nuisance” properties, and to establish a lien-to-value threshold for such expansion. It would also enhance notice requirements for interest holders. Finally, it would direct that excess proceeds from the sale of In Rem properties be returned to the interest holders.

Giving the City the option to expand the properties that are eligible for Judicial In Rem foreclosure will create another tool for the City address properties that cause quality of life issues in our neighborhoods, allowing an acquisition option in addition to citations and receivership. The enhanced notice requirement, which requires service of the complaint on each interest-holder in accordance with the Maryland Rules, will ensure that the due process rights of all interest holders are observed and protected, and also that the title that results is good and marketable. Finally, the bill’s provisions for the distribution of surplus proceeds to the interest holders is a fair outcome, where such excess proceeds exist.

The passage of SB 855 would have minimal impact on Baltimore City operations and we do not anticipate a significant fiscal impact. This would provide for a more effective remedy to address properties that have a blighting influence on our neighborhoods

For these reasons, the BCA respectfully request a **favorable** report on SB 855.