

HOUSE BILL 236

Q1

3lr0701

By: **Delegates Kaiser, Ebersole, Fair, Hill, McCaskill, McComas, Taveras, and Terrasa**

Introduced and read first time: January 23, 2023

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2023

CHAPTER _____

1 AN ACT concerning

2 **Tax Sales – ~~State Tax Sale Ombudsman~~ Homeowner Protection Program –**
3 **Outreach Campaign**

4 FOR the purpose of ~~requiring the State Tax Sale Ombudsman to contract with a vendor to~~
5 ~~conduct an annual outreach campaign to homeowners in tax sale; requiring the~~
6 ~~outreach campaign to consist of making telephone calls to each homeowner whose~~
7 ~~dwelling is sold at a tax sale to inform the homeowner of the assistance available to~~
8 ~~the homeowner through the Ombudsman's office; authorizing the State Department~~
9 ~~of Assessments and Taxation and the vendor to use any reliable public or private~~
10 ~~source of information to compile the list of homeowners the vendor is required to call~~
11 ~~and those homeowners' telephone numbers; providing that the Homeowner~~
12 ~~Protection Fund is the exclusive source of funding for the outreach campaign;~~
13 expressing the intent of the General Assembly that a certain portion of the balance
14 in the Homeowner Protection Fund be spent each year to conduct outreach in a
15 certain manner to homeowners in tax sale to encourage the homeowners to enroll in
16 the Homeowner Protection Program; authorizing the State Tax Sale Ombudsman to
17 conduct outreach using State employees and resources or contract with a private
18 vendor to conduct outreach; requiring that certain State and local government
19 agencies provide certain information to facilitate outreach at the request of the
20 Ombudsman; and generally relating to tax sales.

21 ~~BY adding to~~
22 ~~Article – Tax – Property~~
23 ~~Section 2 – 113~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~Annotated Code of Maryland~~
~~(2019 Replacement Volume and 2022 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section ~~14–891~~ 14–880 and 14–886
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Tax – Property

~~**2–113.**~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.~~

~~(2) “HOMEOWNER” HAS THE MEANING STATED IN § 9–105 OF THIS
ARTICLE.~~

~~(3) “OMBUDSMAN” MEANS THE STATE TAX SALE OMBUDSMAN
ESTABLISHED UNDER § 2–112 OF THIS SUBTITLE.~~

~~(4) “TELEPHONE NUMBER” INCLUDES A LANDLINE OR MOBILE
TELEPHONE NUMBER.~~

~~(5) “VENDOR” MEANS THE PRIVATE ENTITY CONTRACTED BY THE
OMBUDSMAN TO CARRY OUT THIS SECTION.~~

~~(B) THE OMBUDSMAN SHALL CONTRACT WITH A VENDOR TO CONDUCT AN
ANNUAL OUTREACH CAMPAIGN TO HOMEOWNERS IN TAX SALE IN ACCORDANCE
WITH THIS SECTION.~~

~~(C) (1) THE OUTREACH CAMPAIGN SHALL CONSIST OF MAKING
TELEPHONE CALLS TO EACH HOMEOWNER WHOSE DWELLING IS SOLD AT A TAX SALE
TO INFORM THE HOMEOWNER OF THE ASSISTANCE AVAILABLE TO THE HOMEOWNER
THROUGH THE OMBUDSMAN’S OFFICE.~~

~~(2) EACH CALL SHALL BE MADE BY A LIVE HUMAN CALLER AND MAY
NOT BE PRERECORDED OR AUTOMATED.~~

~~(3) THE VENDOR MUST CONTINUE TO PLACE SEPARATE CALLS TO EACH HOMEOWNER WITH INTERVALS OF AT LEAST 2 DAYS BETWEEN EACH CALL UNTIL THE VENDOR HAS EITHER:~~

~~(I) HAD A CONVERSATION DIRECTLY WITH THE HOMEOWNER;~~
~~OR~~

~~(II) MADE AT LEAST THREE SEPARATE CALLS TO THE HOMEOWNER.~~

~~(4) THE CALLS TO EACH HOMEOWNER SHALL BE MADE:~~

~~(I) AS SOON AS POSSIBLE AFTER THE HOMEOWNER'S DWELLING IS SOLD AT A TAX SALE; AND~~

~~(II) BEFORE THE HOLDER OF THE CERTIFICATE OF SALE FOR THE HOMEOWNER'S DWELLING MAY FILE A COMPLAINT TO FORECLOSE THE HOMEOWNER'S RIGHT TO REDEEM THE DWELLING UNDER § 14-833 OF THIS ARTICLE.~~

~~(5) DURING EACH CALL, THE CALLER SHALL:~~

~~(I) PROVIDE A BRIEF SUMMARY OF THE ASSISTANCE AVAILABLE THROUGH THE OMBUDSMAN'S OFFICE, INCLUDING THE HOMEOWNERS' TAX CREDIT AND THE HOMEOWNER PROTECTION PROGRAM; AND~~

~~(II) EXPLAIN TO THE HOMEOWNER WHY IT IS IN THE HOMEOWNER'S INTEREST TO WORK WITH THE OMBUDSMAN.~~

~~(6) THE CALLER MAY LEAVE THE INFORMATION REQUIRED UNDER PARAGRAPH (5) OF THIS SUBSECTION IN A VOICEMAIL MESSAGE BUT SHALL MAKE SUBSEQUENT CALLS IN AN EFFORT TO SPEAK TO THE HOMEOWNER DIRECTLY IF REQUIRED UNDER PARAGRAPH (3) OF THIS SUBSECTION.~~

~~(7) (I) IF THE CALLER SPEAKS TO THE HOMEOWNER, THE CALLER SHALL OFFER TO TRANSFER THE HOMEOWNER DIRECTLY TO THE OMBUDSMAN'S OFFICE FOR ASSISTANCE AFTER PROVIDING THE INFORMATION REQUIRED UNDER PARAGRAPH (5) OF THIS SUBSECTION.~~

~~(II) IF THE CALLER LEAVES A VOICEMAIL MESSAGE FOR THE HOMEOWNER OR IF THE HOMEOWNER DECLINES TO BE TRANSFERRED DIRECTLY TO THE OMBUDSMAN'S OFFICE, THE CALLER SHALL PROVIDE THE HOMEOWNER WITH THE OMBUDSMAN'S WEBSITE ADDRESS, E-MAIL ADDRESS, AND TELEPHONE NUMBER.~~

~~(D) (1) THE DEPARTMENT AND THE VENDOR MAY USE ANY RELIABLE PUBLIC OR PRIVATE SOURCE OF INFORMATION TO COMPILE THE LIST OF HOMEOWNERS THE VENDOR IS REQUIRED TO CALL UNDER THIS SECTION AND THOSE HOMEOWNERS' TELEPHONE NUMBERS.~~

~~(2) AT THE REQUEST OF THE DEPARTMENT OR THE VENDOR, EACH STATE OR LOCAL GOVERNMENT AGENCY SHALL PROMPTLY PROVIDE ANY INFORMATION REQUIRED TO CARRY OUT THIS SECTION.~~

~~(3) PROMPTLY AFTER EACH COUNTY TAX SALE, THE COLLECTOR SHALL PROVIDE THE DEPARTMENT OR VENDOR WITH THE LIST OF HOMEOWNERS WHOSE DWELLINGS WERE SOLD AT THE TAX SALE.~~

~~(4) NOTWITHSTANDING § 13-202 OF THE TAX GENERAL ARTICLE, AT THE REQUEST OF THE DEPARTMENT OR VENDOR, THE COMPTROLLER SHALL PROVIDE THE TELEPHONE NUMBER OF A HOMEOWNER THE VENDOR IS REQUIRED TO CALL UNDER THIS SECTION IF THE HOMEOWNER INCLUDED THE HOMEOWNER'S TELEPHONE NUMBER ON A TAX RETURN FILED WITH THE COMPTROLLER.~~

~~(5) THE DEPARTMENT OR VENDOR MAY PURCHASE TELEPHONE NUMBERS OF HOMEOWNERS FROM A PRIVATE SOURCE TO CARRY OUT THIS SECTION.~~

~~(E) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

~~14-891.~~

~~(a) In this section, "Fund" means the Homeowner Protection Fund.~~

~~(b) There is a Homeowner Protection Fund.~~

~~(c) The purpose of the Fund is to finance the Program AND THE OUTREACH CAMPAIGN UNDER § 2-113 OF THIS ARTICLE.~~

~~(d) The Department shall administer the Fund.~~

~~(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.~~

~~(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.~~

~~(f) The Fund consists of:~~

~~(1) tax and interest payments made to the Department by homeowners enrolled in the Program;~~

~~(2) money appropriated in the State budget to the Fund;~~

~~(3) interest earnings; and~~

~~(4) any other money from any other source accepted for the benefit of the Fund.~~

~~(g) For each of fiscal years 2023, 2024, and 2025, the Governor shall include in the annual budget bill an appropriation of \$750,000 to the Fund.~~

~~(h) (1) The Fund may be used only for any expenses associated with the Program AND THE OUTREACH CAMPAIGN UNDER § 2-113 OF THIS ARTICLE.~~

~~(2) The Fund may not be used for any expenses of the office of the State Tax Sale Ombudsman that are not directly related to the Program OR THE OUTREACH CAMPAIGN UNDER § 2-113 OF THIS ARTICLE.~~

~~(i) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.~~

~~(2) Any interest earnings of the Fund shall be credited to the Fund.~~

~~(j) Expenditures from the Fund may be made only in accordance with the State budget.~~

~~(k) The Fund is the exclusive source of funding for the Program AND THE OUTREACH CAMPAIGN UNDER § 2-113 OF THIS ARTICLE.~~

14-880.

(a) Each year, the Department shall issue a report that includes:

(1) an analysis and summary of the information collected through the survey under § 14-879 of this part; and

(2) the following information concerning the activities of the State Tax Sale Ombudsman established under § 2-112 of this article in the preceding taxable year:

(i) the number of homeowners who contacted the Ombudsman;

(ii) the number of homeowners assisted by the Ombudsman to apply for each of the tax credits under § 9-104 or § 9-105 of this article;

(iii) the number of homeowners assisted by the Ombudsman to apply for other discount programs or public benefits and a brief summary of those programs and benefits;

(iv) the number of homeowners referred by the Ombudsman to legal services, housing counseling, and other social services, and a brief summary of those services;

(v) the number of homeowners enrolled in the Homeowner Protection Program under Part VII of this subtitle;

(vi) a summary of the implementation of the Homeowner Protection Program under Part VII of this subtitle, INCLUDING OUTREACH TO HOMEOWNERS UNDER § 14-886(D) OF THIS SUBTITLE;

(vii) any statutory or administrative changes the Ombudsman recommends to improve the administration of the Homeowner Protection Program under Part VII of this subtitle; and

(viii) any other relevant information.

(b) On or before November 15 each year, the Department shall:

(1) publish the report required under subsection (a) of this section on the Department's website; and

(2) submit the report required under subsection (a) of this section, in accordance with § 2-1257 of the State Government Article, to the Senate Budget and Taxation Committee and the House Committee on Ways and Means.

14-886.

(a) A homeowner shall submit an application to the Department to be enrolled in the Program.

(b) A homeowner may submit an application for the Program online or by mail.

(c) The Ombudsman shall:

(1) prominently advertise the Program and make applications available on the Ombudsman's website; and

(2) collaborate with local governments, community organizations, and public and private providers of social services and benefits to raise awareness of the Program and disseminate applications.

(D) (1) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT:

1 (I) AT LEAST 2% OF THE BALANCE IN THE HOMEOWNER
2 PROTECTION FUND ESTABLISHED UNDER § 14-891 OF THIS SUBTITLE BE SPENT
3 EACH YEAR TO CONDUCT OUTREACH TO HOMEOWNERS IN TAX SALE TO ENCOURAGE
4 THE HOMEOWNERS TO ENROLL IN THE PROGRAM;

5 (II) THE OUTREACH CONSIST OF:

6 1. LIVE TELEPHONE CALLS TO HOMEOWNERS
7 WHENEVER PRACTICABLE; OR

8 2. IF LIVE TELEPHONE CALLS ARE NOT PRACTICABLE,
9 METHODS OF CONTACTING HOMEOWNERS OTHER THAN SENDING INFORMATION BY
10 MAIL; AND

11 (III) PRIORITY BE GIVEN TO CONTACTING HOMEOWNERS AS
12 SOON AS POSSIBLE AFTER THEIR DWELLINGS ARE SOLD AT TAX SALE.

13 (2) THE OMBUDSMAN MAY:

14 (I) CONDUCT OUTREACH TO HOMEOWNERS USING STATE
15 EMPLOYEES AND RESOURCES; OR

16 (II) CONTRACT WITH A PRIVATE VENDOR TO CONDUCT
17 OUTREACH TO HOMEOWNERS.

18 (3) AT THE REQUEST OF THE OMBUDSMAN:

19 (I) PROMPTLY AFTER EACH COUNTY TAX SALE, THE
20 COLLECTOR SHALL PROVIDE THE OMBUDSMAN WITH THE LIST OF HOMEOWNERS
21 WHOSE DWELLINGS WERE SOLD AT THE TAX SALE;

22 (II) NOTWITHSTANDING § 13-202 OF THE TAX - GENERAL
23 ARTICLE, THE COMPTROLLER SHALL PROVIDE THE TELEPHONE NUMBER OF A
24 HOMEOWNER IF THE HOMEOWNER INCLUDED THE HOMEOWNER'S TELEPHONE
25 NUMBER ON A TAX RETURN FILED WITH THE COMPTROLLER; AND

26 (III) ANY OTHER STATE OR LOCAL GOVERNMENT AGENCY SHALL
27 PROMPTLY PROVIDE ANY INFORMATION REQUIRED TO CONDUCT OUTREACH UNDER
28 THIS SUBSECTION.

29 (4) THE OMBUDSMAN MAY OBTAIN INFORMATION FROM ANY
30 RELIABLE PRIVATE SOURCE TO CONDUCT OUTREACH UNDER THIS SUBSECTION.

1 ~~[(d)] (E)~~ The Ombudsman shall cancel the enrollment of a homeowner in the
2 Program if:

3 (1) the homeowner submits a request to the Ombudsman to withdraw from
4 the Program;

5 (2) the homeowner submitted false information in the homeowner's
6 application for enrollment in the Program; or

7 (3) the Ombudsman determines that the homeowner is not acting in good
8 faith to pay the taxes due.

9 ~~[(e)] (F)~~ If the Ombudsman cancels the enrollment of a homeowner in the
10 Program, the Ombudsman shall send a notice of the cancellation to the homeowner that
11 includes the reasons for cancellation.

12 ~~[(f)] (G)~~ A homeowner's enrollment in the Program ends on the earliest of:

13 (1) the date the homeowner pays the full amount of the taxes owed to the
14 Department;

15 (2) the date that is 3 years after the date the homeowner first enrolled in
16 the Program; or

17 (3) the date the homeowner's enrollment in the Program is canceled under
18 subsection ~~[(d)] (E)~~ of this section.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2023.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.