



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

June 7, 2017

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CB-046 2017 Tax Sale of Properties Owned by Common Ownership Communities

Pursuant to your request, we have reviewed CB-046-2017 to estimate its fiscal impact on Prince George's County, Maryland.

CB-046-2017 will not allow property owned by a common ownership community, as defined in Section 13-316(e) of the County Code, to be sold at tax sale.

County Law requires the passage of the Clean Water Act fee onto residents resulting in the assessment of the fee on properties owned by COCs as part of their real property tax obligation. In some instances in which common owned property had not been conveyed properly at settlement, or in cases of defunct homeowners associations, property owners within the County were not being notified of outstanding property tax obligations due on the commonly owned property within their communities. As a result, the collection of property taxes due on properties owned by Common Ownership Communities (COC) are being deferred, and the properties are ineligible for tax sale according to information obtained from Treasury Division staff within the Office of Finance. No sunset date was provided as to when deferment of payment of the tax obligation would cease, however, the Chief of the Treasury Division has recommended that deferment of the tax obligation not continue indefinitely.

Enactment of CB-046-2017 may have an adverse fiscal impact on Prince George's County. The Treasury Division has requested financial information related to the total amount of outstanding property tax debt owed by COCs, however, the information had not been shared upon the conclusion of this correspondence. As a result, we are unable to determine an estimated fiscal impact on the County.

If you require additional information, or have questions about this fiscal impact statement, please call me.

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