

SENATE BILL 489

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2002 Regular Session
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By: **Senator McFadden (Baltimore City Administration)**

Introduced and read first time: February 1, 2002

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 22, 2002

CHAPTER 466

1 AN ACT concerning

2 **Baltimore City - Tax Sales - Abandoned Property**

3 FOR the purpose of clarifying the applicability of certain provisions making a
4 certificate of sale for certain abandoned property in Baltimore City void unless
5 foreclosure proceedings are brought within a certain amount of time;
6 authorizing the holder of a certificate of sale for certain abandoned property in
7 Baltimore City to file a complaint to foreclose certain rights of redemption at
8 any time after the date of the sale; repealing a provision of law that voids a
9 judgment of foreclosure on certain abandoned property in Baltimore City if
10 certain liens are not paid within a certain amount of time and a certain deed is
11 not recorded within a certain amount of time; providing that following a
12 judgment of foreclosure and the enrolling of a certain certificate holder as the
13 owner of certain property, the certificate holder in Baltimore City is not an
14 interested party for purposes of voiding the judgment; and generally relating to
15 tax sales of certain abandoned property in Baltimore City.

16 BY repealing and reenacting, without amendments,
17 Article - Tax - Property
18 Section 14-817(c)
19 Annotated Code of Maryland
20 (2001 Replacement Volume and 2001 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Tax - Property
23 Section 14-820, 14-833, and 14-847
24 Annotated Code of Maryland
25 (2001 Replacement Volume and 2001 Supplement)

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

3 **Article - Tax - Property**

4 14-817.

5 (c) (1) In Baltimore City, abandoned property consisting of either a vacant
6 lot or improved property cited as vacant and unfit for habitation on a housing or
7 building violation notice may be sold for a sum less than the total amount of:

8 (i) all taxes on the property that are certified to the collector under
9 § 14-810 of this subtitle;

10 (ii) interest and penalties on the taxes; and

11 (iii) expenses incurred in making the sale.

12 (2) The collector shall establish a minimum bid for abandoned property
13 sold under this subsection.

14 (3) The person responsible for the taxes prior to the sale shall remain
15 liable to the collector for the difference between the amount received in the tax sale
16 under this section and the taxes, interest, penalties, and expenses remaining after
17 the sale.

18 (4) The balance remaining after the tax sale shall be included in the
19 amount necessary to redeem the property under § 14-828 of this subtitle.

20 (5) In a proceeding to foreclose the right of redemption under this
21 subtitle, the complaint shall request a judgment for the city in the amount of the
22 balance.

23 (6) The balance remaining after the tax sale is no longer a lien on the
24 property when:

25 (i) a judgment is entered foreclosing the owner's right of
26 redemption;

27 (ii) the deed is recorded; and

28 (iii) all liens accruing subsequent to the date of sale are paid in full.

29 (7) The Mayor and City Council may institute a separate action to collect
30 the balance at any time within 7 years after the tax sale if the plaintiff is a private
31 purchaser.

32 14-820.

33 (a) The collector shall deliver to the purchaser a certificate of sale under the
34 collector's hand and seal, or by the collector's authorized facsimile signature,

1 acknowledged by the collector as a conveyance of land, which certificate shall set
2 forth:

3 (1) that the property described in it was sold by the collector to the
4 purchaser;

5 (2) the date of the sale;

6 (3) the amount for which the property was sold;

7 (4) the total amount of taxes due on the property at the time of sale
8 together with interest, penalties and expenses incurred in making the sale;

9 (5) a description of the property in substantially the same form as the
10 description appearing on the collector's tax roll. If the property is unimproved or has
11 no street number, and the collector has procured a description of the property from
12 the county or municipal corporation surveyor, this description shall be included in the
13 certificate of sale. In Garrett County a copy of the description as required by §
14 14-813(f) of this subtitle, as that section relates specifically to Garrett County, shall
15 be included in the certificate of sale;

16 (6) a statement that the rate of redemption is 6% a year, except as
17 provided in subsection (b) of this section;

18 (7) the time when an action to foreclose the right of redemption may be
19 instituted; and

20 (8) (i) that the certificate will be void unless foreclosure proceedings
21 are brought within 2 years from the date of the certificate; or

22 (ii) [that] THAT, unless foreclosure proceedings are brought within
23 3 months from the date of the certificate to any abandoned property in Baltimore City
24 sold under § 14-817(c)(1) of this subtitle WITH A MINIMUM BID LESS THAN THE LIEN
25 AMOUNT, the certificate:

26 1. is void as to a private purchaser; and

27 2. reverts to the Mayor and City Council for a period of 2
28 years from the date of the tax sale.

29 (b) The rate of redemption is 6% a year except:

30 (1) in Allegany County the rate is 6% a year or as fixed by the County
31 Commissioners;

32 (2) in Anne Arundel County the rate is 6% a year or as fixed by a law of
33 the County Council;

34 (3) in Baltimore City the rate is 6% a year or as fixed by a law of the City
35 Council;

- 1 (4) in Baltimore County the rate is 6% a year or as fixed by a law of the
2 County Council;
- 3 (5) in Cecil County the rate is 6% a year or as fixed by the County
4 Commissioners;
- 5 (6) in Calvert County the rate is 10% a year or as fixed by the County
6 Commissioners;
- 7 (7) in Caroline County the rate is 10% a year or as fixed by the County
8 Commissioners;
- 9 (8) in Carroll County the rate is 14% a year or as fixed by the County
10 Commissioners;
- 11 (9) in Dorchester County the rate is 10% a year or as fixed by the County
12 Commissioners;
- 13 (10) in Frederick County the rate is 6% a year or as fixed by the County
14 Commissioners;
- 15 (11) in Garrett County the rate is 10% a year or as fixed by the County
16 Commissioners;
- 17 (12) in Harford County the rate is 6% a year or as fixed by a law of the
18 County Council;
- 19 (13) in Howard County the rate is 6% a year or as fixed by a law of the
20 County Council;
- 21 (14) in Kent County the rate is 6% a year or as fixed by the County
22 Commissioners;
- 23 (15) in Montgomery County the rate is 6% a year or as fixed by a law of
24 the County Council;
- 25 (16) in Prince George's County the rate is 6% a year or as fixed by a law of
26 the County Council;
- 27 (17) in Queen Anne's County the rate is 6% a year or as fixed by the
28 County Commissioners;
- 29 (18) in Somerset County, Charles County, Wicomico County, and
30 Worcester County the rate is 6% a year or as fixed by the County Commissioners or by
31 a law of the County Council;
- 32 (19) in Talbot County the rate is 6% a year or as fixed by a law of the
33 County Council; and
- 34 (20) in Washington County the rate is 6% a year or as fixed by the County
35 Commissioners.

1 (c) The certificate of sale shall be in substantially the following form:

2 "I,, Collector of Taxes for the State of Maryland and the of,
 3 certify that on, 20...., I sold to, at public auction for the sum of
 4 Dollars and Cents, of which Dollars has been paid, the property in
 5 described as and assessed to The property described in this certificate is
 6 subject to redemption. On redemption the holder of the certificate will be refunded
 7 the sums paid on account of the purchase price together with interest at the rate of
 8 6% a year from the date of payment to the date of redemption (except as stated in
 9 subsection (b) of § 14-820 of the Tax - Property Article of the Annotated Code of
 10 Maryland), together with all other amounts specified by Chapter 761 of the Acts of
 11 1943, and acts that amend that chapter. The balance due on account of the purchase
 12 price and all taxes, together with interest and penalties on the taxes, accruing after
 13 the date of sale, must be paid to the Collector before a deed can be delivered to the
 14 purchaser. After, 20...., a proceeding can be brought to foreclose all rights of
 15 redemption in the property. This certificate will be void unless such a proceeding is
 16 brought within 2 years from the date of this certificate, except that in Baltimore City,
 17 with respect to any abandoned property SOLD UNDER § 14-817(C) OF THE
 18 TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND WITH A MINIMUM
 19 BID LESS THAN THE LIEN AMOUNT, [consisting of a vacant lot or improved property
 20 cited as vacant and unfit for habitation on a housing or building violation notice
 21 outstanding on the date of the tax sale,] the certificate will revert to the Mayor and
 22 City Council and will be void as to the private purchaser at tax sale unless such a
 23 proceeding is brought within 3 months from the date of the certificate.

24 Witness my hand and seal, this day of, 20.....

25

26 Collector"

27 (To be followed by acknowledgment).

28 14-833.

29 (a) Except as provided in [subsection (e)] SUBSECTIONS (E) AND (F) of this
 30 section, at any time after 6 months from the date of sale a holder of any certificate of
 31 sale may file a complaint to foreclose all rights of redemption of the property to which
 32 the certificate relates.

33 (b) The right to redeem shall continue until finally barred by decree of the
 34 circuit court in which the foreclosure proceeding is filed.

35 (c) (1) The certificate is void unless a proceeding to foreclose the right of
 36 redemption is filed within 2 years of the date of the certificate of sale.

37 (2) In Baltimore City a certificate for abandoned property SOLD UNDER §
 38 14-817(C) OF THIS SUBTITLE WITH A MINIMUM BID LESS THAN THE LIEN AMOUNT
 39 reverts to the Mayor and City Council and is void as to the private purchaser at tax
 40 sale unless:

1 (i) a proceeding to foreclose the right of redemption is filed within
2 3 months of the date of the certificate of sale; and

3 (ii) unless the holder is granted an extension by the court due to a
4 showing of extraordinary circumstances beyond the certificate holder's control, the
5 holder secures a decree from the circuit court in which the foreclosure proceeding was
6 filed within 18 months from the date of the filing of the foreclosure proceeding.

7 (d) (1) If a certificate is void under subsection (c) of this section, then any
8 right, title, and interest of the holder of the certificate of sale, in the property sold
9 shall cease and all money received by the collector on account of the sale shall be
10 deemed forfeited, and shall be applied by the collector on the taxes in arrears on the
11 property.

12 (2) If a certificate for abandoned property reverts to the Mayor and City
13 Council of Baltimore City under this section, the Mayor and City Council may:

14 (i) file a foreclosure proceeding in its own name; or

15 (ii) 1. resell the certificate; and

16 2. apply all money received on account of the sale to any
17 outstanding balance remaining after the sale on the tax debt owed by the previous
18 owner of the abandoned property.

19 (e) If any building or structure is sold and purchased under this subtitle, and
20 the appropriate government agency certifies that the particular building or structure
21 involved requires, or within 6 months shall require, substantial repairs to comply
22 with the applicable building code:

23 (1) the holder of any certificate of sale may at any time after 60 days
24 from the date of sale file a complaint to foreclose all rights of redemption of the
25 property to which the certificate relates; and

26 (2) the certificate of the appropriate government agency shall be a part
27 of the complaint to foreclose the rights of redemption.

28 (F) THE HOLDER OF A CERTIFICATE OF SALE FOR ABANDONED PROPERTY IN
29 BALTIMORE CITY SOLD UNDER § 14-817(C) OF THIS SUBTITLE WITH A MINIMUM BID
30 LESS THAN THE LIEN AMOUNT MAY FILE A COMPLAINT TO FORECLOSE ALL RIGHTS
31 OF REDEMPTION IN THE PROPERTY AT ANY TIME AFTER THE DATE OF SALE.

32 14-847.

33 (a) (1) Except as provided in paragraph (2) of this subsection, the judgment
34 of the court shall direct the collector to execute a deed to the holder of the certificate
35 of sale in fee simple or in leasehold, as appropriate, on payment to the collector of the
36 balance of the purchase price, due on account of the purchase price of the property,
37 together with all taxes and interest and penalties on the property that accrue after
38 the date of sale. The judgment shall direct the supervisor to enroll the holder of the

1 certificate of sale in fee simple or in leasehold, as appropriate, as the owner of the
2 property.

3 (2) In Frederick County, if the collector is absent, the deed may be
4 executed by a deputy collector designated by the collector.

5 (b) The deed shall be prepared by the holder of the certificate of sale or the
6 attorney for the holder of the certificate of sale and all expenses incident to the
7 preparation and execution of the deed shall be paid by the holder of the certificate of
8 sale.

9 (c) The clerk of the court in which the suit is instituted shall issue a certified
10 copy of the judgment of the court to the collector and supervisor and the collector is
11 not obligated to execute the deed provided for in this section until that certified copy
12 of the judgment is delivered to the collector.

13 (d) (1) [Except as provided in paragraph (2) of this subsection, if] IF the
14 holder of the certificate of sale does not comply with the terms of the final judgment
15 of the court within 90 days as to payments to the collector of the balance of the
16 purchase price due on account of the purchase price of the property and of all taxes,
17 interest, and penalties that accrue after the date of sale, that judgment may be
18 stricken by the court on the motion of an interested party for good cause shown.

19 (2) In Baltimore City, A CERTIFICATE HOLDER WHO HAS BEEN
20 ENROLLED AS THE OWNER OF THE PROPERTY UNDER SUBSECTION (A) OF THIS
21 SECTION IS NOT AN INTERESTED PARTY WITHIN THE MEANING OF THIS
22 SUBSECTION. [if the holder of the certificate of sale for abandoned property does not
23 comply with the terms of final judgment of the court as to the payments necessary for
24 the collector to execute a deed within 30 days, or does not record the deed in land
25 records within 30 days of the execution of the deed, the final judgment is void.]

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2002.