HOUSE BILL 920

Q7   3lr2316

By: **Delegate Valentino–Smith**
Introduced and read first time: February 7, 2013
Assigned to: Ways and Means

A BILL ENTITLED

1   AN ACT concerning

Tax Liens – Enforceability

3   FOR the purpose of prohibiting a certain tax lien from being enforceable against real
4   property after a certain number of years if certain conditions are met; providing
5   for the retroactive application of this Act; establishing an exception to the
6   retroactive application of this Act; and generally relating to the enforcement of
7   tax liens.

8   BY repealing and reenacting, with amendments,
9   Article – Tax – General
10   Section 13–809
11   Annotated Code of Maryland
12   (2010 Replacement Volume and 2012 Supplement)

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

Article – Tax – General

16   13–809.

17   (a)   A tax lien shall be first paid and satisfied from the proceeds of a sale of
18   any property of a person liable for the tax.

19   (b)   (1)   Notwithstanding subsection (a) of this section, a tax lien is not
20   valid against any purchaser, holder of a security interest, mechanic's lienor, or
21   judgment lien creditor until notice of the tax lien has been filed under § 13–807 of this
22   subtitle.

23   (2)   Even if notice of a tax lien is filed, the lien is not valid against any
24   claim described in § 6323(b), (c), or (d) of the Internal Revenue Code.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
        [Brackets] indicate matter deleted from existing law.

1   **(3)**   **A TAX LIEN FILED UNDER § 13–807 OF THIS SUBTITLE MAY**
2 **NOT BE ENFORCED AGAINST REAL PROPERTY AFTER 12 YEARS FROM THE DATE**
3 **OF FILING IF THE REAL PROPERTY WAS SOLD IN AN ARMS–LENGTH,**
4 **THIRD–PARTY TRANSACTION FOR A FAIR MARKET PRICE TO A PERSON NOT**
5 **LIABLE FOR THE TAXES ON WHICH THE TAX LIEN IS BASED.**

6   (c)   The rules and definitions in § 6323(e), (h), and (i) of the Internal Revenue
7 Code shall apply in construing this section.

8   SECTION 2. AND BE IT FURTHER ENACTED, That, except as provided in
9 Section 3 of this Act, this Act shall be construed to apply retroactively and shall be
10 applied to and interpreted to apply to any tax lien filed under § 13–807 of the Tax –
11 General Article before the effective date of this Act.

12   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall not be
13 construed to apply to any case pending as of July 1, 2013, in a court to enforce a tax
14 lien.

15   SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2013.