

Chapter 599

(House Bill 446)

AN ACT concerning

Tax Sales – Reimbursement for Attorney's Fees

FOR the purpose of providing that a plaintiff or the holder of a certificate of sale in a foreclosure action may be reimbursed up to a certain amount for reasonable attorney's fees ~~for certain participation in a bankruptcy proceeding or~~ for opening an estate for certain purposes; providing that a plaintiff or holder of a certificate of sale in a foreclosure action may be reimbursed up to a certain amount for certain expenses incurred for opening an estate for certain purposes; and generally relating to tax sales of property.

BY repealing and reenacting, without amendments,
 Article – Tax – Property
 Section 14–833(a) and (a–1)(1) and (3)(vi)4.
 Annotated Code of Maryland
 (2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
 Article – Tax – Property
 Section 14–843(a)(4)
 Annotated Code of Maryland
 (2012 Replacement Volume and 2013 Supplement)

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

Article – Tax – Property

14–833.

(a) Except as provided in subsections (a–1), (e), (f), and (g) of this section, at any time after 6 months from the date of sale a holder of any certificate of sale may file a complaint to foreclose all rights of redemption of the property to which the certificate relates.

(a–1) (1) The holder of a certificate of sale may not file a complaint to foreclose the right of redemption until at least 2 months after sending the first notice and at least 30 days after sending the second notice required under this subsection to:

(i) the person who last appears as owner of the property on the collector's tax roll; and

(ii) 1. the current mortgagee of the property, assignee of a mortgagee of record, or servicer of the current mortgage; or

2. the current holder of a beneficial interest in a deed of trust recorded against the property.

(3) The notices required under this subsection shall include at least the following:

(vi) a statement that if the property is redeemed after an action to foreclose the right of redemption has been filed, the amount that shall be paid to redeem the property is the sum of:

4. attorney's fees and expenses to which the holder of the certificate of sale may be entitled under § 14-843(a)(4) and (5) of this subtitle;

14-843.

(a) (4) If an action to foreclose the right of redemption has been filed, the plaintiff or holder of a certificate of sale may be reimbursed for:

(i) attorney's fees in the amount of:

1. \$1,300 if an affidavit of compliance has not been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption; or

2. \$1,500 if an affidavit of compliance has been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption;

(II) REASONABLE ATTORNEY'S FEES, NOT TO EXCEED \$1,200, INCURRED BY THE PLAINTIFF OR HOLDER OF A CERTIFICATE OF SALE FOR THE PURPOSES OF DEFENSE IN A DEFENDANT'S BANKRUPTCY PROCEEDING OR FOR OPENING AN ESTATE FOR PURPOSES OF SERVICE OF PROCESS AND NOTICE ON A DEFENDANT'S ESTATE;

[(ii)] (III) in exceptional circumstances, other reasonable attorney's fees incurred and specifically requested by the plaintiff or holder of a certificate of sale and approved by the court, on a case by case basis; and

[(iii)] (IV) if the plaintiff or holder of a certificate of sale provides a signed affidavit attesting to the fact that the expenses were actually incurred, the following expenses actually incurred by the plaintiff or holder of a certificate of sale:

1. filing fee charged by the circuit court for the county in which the property is located;
2. service of process fee, including fees incurred attempting to serve process;
3. a title search fee, not to exceed \$250;
4. if a second title search is conducted more than 6 months after the initial title search, a title search update fee, not to exceed \$75;
5. publication fee charged by a newspaper of general circulation in the county in which the property is located;
6. posting fee;
7. postage and certified mail;
8. substantial repair order fee, not to exceed the fee charged by the government agency issuing the certificate of substantial repair; [and]

9. EXPENSES AND COSTS INCURRED FOR OPENING AN ESTATE OF A DECEASED DEFENDANT FOR PURPOSES OF SERVICE OF PROCESS AND NOTICE, NOT TO EXCEED \$1,200; AND

[9.] 10. any court approved expense for stabilization or conversion of the property under § 14–830 of this subtitle or in accordance with an action taken against the property by the county in which the property is located in accordance with the applicable building, fire, health, or safety codes.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, May 15, 2014.