

SENATE BILL 952

Q1

8lr2248

By: **Senators Eckardt and Ferguson**

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2018

CHAPTER _____

1 AN ACT concerning

2 **Tax Sales – Homeowner Protections**

3 FOR the purpose of authorizing a collector of property taxes to withhold from tax sale any
4 residential property when the total taxes due on the property amount to less than a
5 certain amount; requiring a certain mailing sent by a collector of property taxes to
6 the owner of a property before the property is advertised for tax sale to include a
7 separate insert that includes certain information about how a homeowner may
8 access certain services and programs that may assist the homeowner to avoid tax
9 sale costs or foreclosure; requiring a certain mailing sent by a collector of property
10 taxes to the owner of a property after the property is sold at a tax sale to include a
11 separate insert that includes certain information about how a homeowner may
12 access certain services and programs that may assist the homeowner to avoid tax
13 sale costs or foreclosure; making conforming changes; and generally relating to
14 protections for homeowners in the tax sale process.

15 BY repealing and reenacting, with amendments,
16 Article – Tax – Property
17 Section 14–811, 14–812, and 14–817.1
18 Annotated Code of Maryland
19 (2012 Replacement Volume and 2017 Supplement)

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

22 **Article – Tax – Property**

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.



1 14-811.

2 (a) Except as provided in subsection (b) of this section, the collector may withhold
3 from sale any property, when the total taxes on the property, including interest and
4 penalties, amount to less than ~~1~~\$250~~1~~ ~~\$750~~ in any 1 year.

5 (b) **(1) THE COLLECTOR MAY WITHHOLD FROM SALE ANY RESIDENTIAL**
6 **PROPERTY, WHEN THE TOTAL TAXES ON THE PROPERTY, INCLUDING INTEREST AND**
7 **PENALTIES, AMOUNT TO LESS THAN \$750.**

8 **(2)** In Baltimore City, the collector shall withhold from sale
9 owner-occupied residential property, when the total taxes on the property, including
10 interest and penalties, amount to less than \$750.

11 14-812.

12 (A) (1) At least 30 days before any property is first advertised for sale under
13 this subtitle, the collector shall have mailed to the person who last appears as owner of the
14 property on the collector’s tax roll, at the last address shown on the tax roll, a statement
15 giving the name of the person, and the amounts of taxes due.

16 (2) On the statement **REQUIRED UNDER PARAGRAPH (1) OF THIS**
17 **SUBSECTION** there shall also appear the following notice:

18
19 “Date”

20 “This Is a Final Bill and Legal Notice to the Person Whose Name Appears on This
21 Notice.”

22 “According to the collector’s tax roll you are the owner of the property appearing on
23 this notice. Some of the taxes listed are in arrears. Notice is given you that unless all taxes
24 in arrears are paid on or before 30 days from the above date, the collector will proceed to
25 sell the above property to satisfy your entire indebtedness. Interest and penalties must be
26 added to the total at the time of payment.”

27 (B) **THE MAILING REQUIRED UNDER SUBSECTION (A) OF THIS SECTION**
28 **SHALL INCLUDE A SEPARATE INSERT THAT INCLUDES THE FOLLOWING:**

29 (1) **THE STATEMENT “IF THIS PROPERTY IS YOUR PRINCIPAL**
30 **RESIDENCE AND YOU ARE HAVING DIFFICULTY PAYING THE TAXES ON THE**
31 **PROPERTY, THERE ARE PROGRAMS THAT MAY HELP YOU.”;**

1 **(2) A STATEMENT THAT FREE COUNSELING IS AVAILABLE TO HELP**
2 **HOMEOWNERS MAKE PLANS TO PAY THEIR BILLS AND KEEP THEIR HOMES BY**
3 **CALLING THE TELEPHONE NUMBER OF:**

4 **(I) THE HOMEOWNER’S HOPE HOTLINE; OR**

5 **(II) ANOTHER SIMILAR LOCAL HOUSING COUNSELING SERVICE**
6 **CHOSEN BY THE COLLECTOR;**

7 **(3) THE FOLLOWING INFORMATION CONCERNING THE HOMEOWNERS’**
8 **PROPERTY TAX CREDIT UNDER § 9–104 OF THIS ARTICLE:**

9 **(I) THE STATEMENT “THE HOMEOWNERS’ PROPERTY TAX**
10 **CREDIT MAY SIGNIFICANTLY REDUCE THE PROPERTY TAXES YOU OWE IF YOU HAVE**
11 **LIMITED INCOME AND ASSETS. YOU MAY BE ELIGIBLE FOR THE CREDIT AT ANY AGE,**
12 **BUT IF YOU ARE 70 YEARS OLD OR OLDER, YOU MAY BE ELIGIBLE FOR A SPECIAL**
13 **BENEFIT THAT MAY REDUCE THE TAXES YOU OWE FOR THE PAST 3 YEARS.”; AND**

14 ~~**(II) THE WEBSITE ADDRESS AND TELEPHONE NUMBER OF THE**~~
15 ~~**STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AND A STATEMENT THAT**~~
16 ~~**MORE INFORMATION ABOUT THE HOMEOWNERS’ PROPERTY TAX CREDIT AND HOW**~~
17 ~~**TO APPLY FOR THE CREDIT CAN BE FOUND BY VISITING THE WEBSITE OR CALLING**~~
18 ~~**THE TELEPHONE NUMBER OF THE DEPARTMENT; AND**~~

19 ~~**(4) ANY OTHER INFORMATION THAT THE COLLECTOR DEEMS**~~
20 ~~**APPROPRIATE THAT MAY ASSIST LOW-INCOME HOMEOWNERS TO AVOID TAX SALE**~~
21 ~~**COSTS OR FORECLOSURE.**~~

22 **(II) THE WEBSITE ADDRESS AND TELEPHONE NUMBER OF THE**
23 **STATE DEPARTMENT OF ASSESSMENTS AND TAXATION WHERE MORE**
24 **INFORMATION IS AVAILABLE ABOUT THE HOMEOWNERS’ PROPERTY TAX CREDIT**
25 **AND HOW TO APPLY;**

26 **(4) IF THE COLLECTOR USES THE TAX SALE PROCESS TO ENFORCE A**
27 **LIEN FOR UNPAID CHARGES FOR WATER OR SEWER SERVICE AND A WATER OR**
28 **SEWER UTILITY SERVING THE COLLECTOR’S JURISDICTION OFFERS A PROGRAM FOR**
29 **DISCOUNTED WATER OR SEWER RATES FOR LOW-INCOME CUSTOMERS;**

30 **(I) A BRIEF DESCRIPTION OF THE PROGRAM FOR DISCOUNTED**
31 **WATER OR SEWER RATES FOR LOW-INCOME CUSTOMERS; AND**

32 **(II) INFORMATION ON HOW TO APPLY FOR THE PROGRAM,**
33 **INCLUDING, IF APPLICABLE, A WEBSITE ADDRESS AND TELEPHONE NUMBER WHERE**
34 **MORE INFORMATION AND APPLICATIONS ARE AVAILABLE; AND**

1 **(5) ANY OTHER INFORMATION THAT MAY ASSIST LOW-INCOME**
2 **HOMEOWNERS IN AVOIDING TAX SALE COSTS OR FORECLOSURE THAT THE**
3 **COLLECTOR CONSIDERS APPROPRIATE.**

4 **(C)** For any individual who last appears as an owner of the property on the
5 collector's tax roll who has been listed as an owner of the property on the collector's tax roll
6 for at least the last 25 years, the collector shall provide, at least 30 days before the property
7 is first advertised, a list that includes the individual's name and address and notice to the
8 area agency, as defined in § 10-101 of the Human Services Article.

9 **(D)** Failure of the collector to mail the statement and notice to the last address of
10 the person last assessed for the property, as it appears on the collector's tax roll, to mail, if
11 applicable, a list including the name and address of an individual receiving the statement
12 who has been listed as an owner of the property on the collector's tax roll for at least the
13 last 25 years and notice to the area agency, or to include any taxes in the statement and
14 notice, does not invalidate or otherwise affect any tax, except a tax that is required to be
15 but has not been certified as provided in § 14-810 of this subtitle, or any sale made under
16 this subtitle to enforce payment of taxes, nor prevent nor stay any proceedings under this
17 subtitle, nor affect the title of any purchaser.

18 14-817.1.

19 (a) Within 60 days after a property is sold at a tax sale, the collector shall send to
20 the person who last appears as owner of the property on the collector's tax roll, at the last
21 address shown on the tax roll, a notice that includes:

22 (1) a statement that the property has been sold to satisfy unpaid taxes;

23 (2) the date of the tax sale;

24 (3) the amount of the highest bid;

25 (4) the lien amount on the property at the time of sale;

26 (5) a statement that the owner has the right to redeem the property until
27 a court forecloses that right;

28 (6) a statement that the purchaser of the property may institute an action
29 to foreclose the property:

30 (i) as early as 6 months from the date of the sale; or

31 (ii) if a government agency certifies that the property requires, or
32 shall require, substantial repair to comply with applicable building codes, as early as 60
33 days from the date of the sale;

1 (7) a statement that if the property is redeemed before an action to
2 foreclose the right of redemption is filed, the amount that shall be paid to redeem the
3 property is:

4 (i) the total lien amount on the property at the time of sale, with
5 interest;

6 (ii) any taxes, interest, and penalties paid by the holder of the
7 certificate of sale; and

8 (iii) any taxes, interest, and penalties accruing after the date of the
9 tax sale;

10 (8) a statement that, if the property is redeemed more than 4 months after
11 the date of the tax sale, and before an action to foreclose the right of redemption is filed,
12 the holder of the certificate of sale may be reimbursed for:

13 (i) attorney's fees for recording the certificate of sale;

14 (ii) a title search fee, not to exceed \$250; and

15 (iii) reasonable attorney's fees, not to exceed \$500;

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

19 (i) the total lien amount on the property at the time of sale, with
20 interest;

21 (ii) any taxes, interest, and penalties paid by the holder of the
22 certificate of sale;

23 (iii) any taxes, interest, and penalties accruing after the date of the
24 tax sale; and

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

27 (10) the provisions of § 14-843(a) of this subtitle, reproduced as they appear
28 in the Code.

29 (b) The notice required under **SUBSECTION (A) OF** this section shall be sent by
30 first-class mail.

1 **(C) THE MAILING REQUIRED UNDER THIS SECTION SHALL INCLUDE A**
 2 **SEPARATE INSERT THAT INCLUDES ALL OF THE INFORMATION REQUIRED UNDER §**
 3 **14-812(B) OF THIS SUBTITLE.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 5 October 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.