

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 83  
Ways and Means

(Delegate Atterbeary)

Budget and Taxation

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**Property Tax - Tax Sales - Redemption**

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This bill requires a tax collector to make at least one attempt to contact a holder of a certificate of sale by phone and email, after the collector is informed that the plaintiff or the holder of the certificate of sale has failed to respond to a request, for the amount of expenses included in the redemption amount, that is made by the (1) owner of the property; (2) current mortgagee of the property, assignee of a mortgagee of record, or servicer of the current mortgage; or (3) current holder of a beneficial interest in a deed of trust recorded against the property. If the plaintiff or holder of the certificate of sale fails to respond within five business days, the tax collector may redeem the property without a satisfaction letter stating that the expenses of the plaintiff or the holder of a certificate of sale have been paid.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State finances.

**Local Effect:** The bill is not anticipated to materially affect local government finances.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** An owner or other person that has an estate or interest in property sold by a tax collector may redeem the property at any time until the right of redemption has been finally foreclosed. The person redeeming the property must pay the collector (1) the total lien amount paid at the tax sale for the property together with interest; (2) any taxes, interest, and penalties paid by any holder of the certificate of sale; (3) except if the property is owner-occupied residential property in Baltimore City, any delinquent taxes, interest,

and penalties accruing after the date of the tax sale; and (4) in the manner and by the terms required by the collector, any expenses or fees for which the plaintiff or the holder of a certificate of sale is entitled to reimbursement. Statute specifies the various expenses or fees which the plaintiff or holder of a certificate of sale may be reimbursed for, specifically those incurred in any action or in preparation for any action to foreclose the right of redemption.

If an action to foreclose the right of redemption has not been filed, and the property is redeemed more than four months after the date of the tax sale, the holder of a certificate of sale may be reimbursed for the following expenses actually incurred: (1) the cost of recording the certificate of sale; (2) a title search fee up to \$250; (3) the postage and certified mail costs for sending required notices; and (4) reasonable attorney's fees up to \$500.

In general, the plaintiff or holder of a certificate of sale may not be reimbursed for expenses incurred within four months after the date of sale.

In Baltimore City, for owner-occupied residential property, the above-described statutory periods are seven months instead of four months.

In general, any time after six months from the date of sale, a holder of a certificate of sale may file a complaint to foreclose the right of redemption; however, for owner-occupied residential property in Baltimore City, that time period is nine months instead of six months. Statute specifies additional expenses and fees that the plaintiff or holder of a certificate of sale may be reimbursed for if an action to foreclose the right of redemption has been filed.

**Additional Comments:** Descriptions of the tax sale process and related subjects are included on the Office of the State Tax Sale Ombudsman [webpage](#) on the State Department of Assessments and Taxation's website, along with the office's most recent annual report, which contains data on tax sales in the State. The office was established in 2020 pursuant to Chapter 730 of 2019.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Baltimore City; Kent, Montgomery, and Worcester counties; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - January 23, 2023  
km/sdk Third Reader - March 28, 2023  
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