

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 819

(Senator Hayes)

Judicial Proceedings

Ways and Means

Judicial In Rem Tax Foreclosure - Notice Requirements

This bill requires that a county or municipality – when filing a complaint for an *in rem* foreclosure action on specified vacant property – serve the complaint on each interested party in accordance with the Maryland Rules. This requirement replaces an existing requirement that the county or municipality, within five days after filing the complaint, send notice and a copy of the complaint to each interested party by first-class mail and certified mail, postage prepaid, return receipt requested, bearing a postmark from the U.S. Postal Service. **The bill takes effect June 1, 2026.**

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.

Analysis

Current Law:

“Interested Party”

Existing statute defines an “interested party,” in the context of judicial *in rem* tax foreclosure, to mean: (1) the person who last appears as owner of the real property on the collector’s tax roll; (2) a mortgagee of the property or assignee of a mortgage of record; (3) a holder of a beneficial interest in a deed of trust recorded against the real property;

(4) a taxing agency that has the authority to collect tax on the real property; or (5) any person having an interest in the real property whose identity and address are reasonably ascertainable from the county land records or revealed by a full title search consisting of at least 50 years.

In Rem Foreclosure and Sale

Statute provides counties and municipalities with specified authority for *in rem* foreclosure and sale of real property (1) that consists of a vacant lot or improved property cited as vacant and unsafe or unfit for habitation or other authorized use on a housing or building violation notice and (2) for which the total amount of liens for unpaid taxes on the property exceeds the total value of the property. A complaint for an *in rem* foreclosure action may not be filed by a county or municipality unless (1) the tax on the real property has been delinquent for at least six months, and (2) the right to appeal the notice of the property as vacant and unsafe or unfit has tolled.

A complaint for *in rem* foreclosure must be filed in the circuit court of the county where the real property is located and must meet specified criteria. The complaint must include a request that the circuit court not schedule a hearing on the complaint until 30 days after the date the complaint is filed, and the court may not set a hearing until 30 days after the complaint is filed. Within five days after filing the complaint, a county or municipality must send notice and a copy of the complaint to each interested party by first-class mail and certified mail, postage prepaid, return receipt requested, bearing a postmark from the U.S. Postal Service.

An interested party has the right (1) to cure the delinquent taxes and liens on the real property by paying all past due fees, payments, and penalties at any time before the entry of the foreclosure judgment and (2) to be heard at the hearing on the complaint and contest the delinquency of the taxes and the adequacy of the proceedings.

If the court finds that the county or municipality sent sufficient notice and a copy of the complaint to each interested party and that the information in the complaint is accurate, it must enter a judgment and order that ownership of the real property be transferred to the county or municipality.

Additional Information

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

Designated Cross File: None.

Information Source(s): Baltimore, Cecil, Frederick, Montgomery, Prince George's, and Somerset counties; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Maryland Municipal League; Department of Legislative Services

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