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By: Delegates Boston, Branch, Kirk, McIntosh, Dypski, Watson, Oaks, Krysiak, McHale, Marriott, Hammen, Fulton, C. Mitchell, E. Burns, Montague, Opara, T. Murphy, Harrison, and Campbell

Introduced and read first time: January 30, 1998

Assigned to: Ways and Means

#### A BILL ENTITLED

1 AN A	ACT concerning	
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### 2 Tax Sale Procedure - Notice to Tenants

- 3 FOR the purpose of requiring that a plaintiff in an action to foreclose a right of
- 4 redemption send a written notice in a certain manner to certain persons who the
- 5 plaintiff knows, or has reason to know, occupy the property; prohibiting certain
- 6 persons who acquire a deed as a result of a tax sale from being issued a writ for
- 7 possession unless certain notice is given in a certain manner; providing that
- 8 certain persons are liable for damage to certain property of a tenant under
- 9 certain circumstances; and generally relating to notice to tenants of a property
- subject to an action to foreclose a right of redemption or motion for writ for
- 11 possession of the property.
- 12 BY repealing and reenacting, with amendments,
- 13 Article Tax Property
- 14 Section 14-836 and 14-850
- 15 Annotated Code of Maryland
- 16 (1994 Replacement Volume and 1997 Supplement)
- 17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 18 MARYLAND, That the Laws of Maryland read as follows:

### 19 **Article - Tax - Property**

- 20 14-836.
- 21 (a) The plaintiff in any action to foreclose the right of redemption shall be the
- 22 holder of the certificate of sale.
- 23 (b) (1) Except as otherwise provided in this subsection, the defendants in
- 24 any action to foreclose the right of redemption shall be:
- 25 (i) the record title holder of the property as disclosed by a search
- 26 performed in accordance with generally accepted standards of title examination of the

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	land records of the county, of the records of the register of wills of the county, and of the records of the circuit court for the county;						
5 6	(ii) if the property is subject to a ground rent, the record title holder of the fee-simple title and the owner of the leasehold title as disclosed by a search performed in accordance with generally accepted standards of title examination of the land records of the county, of the records of the register of wills of the county and of the records of the circuit court for the county;						
	(iii) any mortgagee of the property or any assignee of the mortgagee of record, named as such in any unreleased mortgage recorded in the land records of the county;						
13 14	(iv) the trustee under any deed of trust recorded against the property or any holder of a beneficial interest in a deed of trust who files notice of the interest, which notice shall include identification of the deed of trust, the book and page where the deed of trust is recorded, and the address at which the holder may be served with a summons;						
16	(v) the county where the property is located; and						
17	(vi) if appropriate, the State.						
	The plaintiff may choose not to include as a defendant any of the persons enumerated in paragraph (1) of this subsection. However, the rights of any person not included as a defendant are not affected by the proceedings.						
23 24 25 26 27 28	(3) Subject to the provisions of paragraph (4) of this subsection, it is not necessary to name as defendant any other person that has or claims to have any right, title, interest, claim, lien or equity of redemption in the property sold by the collector. Any of these persons are included as defendants by the designation "all persons that have or claim to have any interest in property (giving a description of the property in substantially the same form as the description that appears on the Collector's certificate of tax sale)." Any of these persons may be designated throughout the proceeding by the above designation and the cause may proceed against them by publication under order of court as provided in this subtitle.						
30 31	0 (4) (i) Notwithstanding the provisions of paragraph (3) of this 1 subsection, the plaintiff shall send written notice of the proceeding to:						
34 35	1. all persons having a recorded interest, claim, or lien, including a judgment, who have not been made a defendant in the proceeding, and, if the subject property is the common areas owned by or legally dedicated to a homeowners association, to the homeowners association governing the property, at the last reasonably ascertainable address; AND						
	2. ANY PERSON WHO THE PLAINTIFF KNOWS IS A TENA 3 OR WHO THE PLAINTIFF HAS REASON TO KNOW IS A TENANT THROUGH THE 4 TENANT'S ACTUAL OCCUPANCY OF THE SUBJECT PROPERTY						

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1	(ii)	The noti	ce under this subsection shall:		
2 3	requested, bearing a postm	1. nark from the	be sent by certified mail, postage prepaid, return receipt United States Postal Service; and		
4		2.	be accompanied by a copy of the complaint.		
5	(iii)	The plai	ntiff shall file in the action:		
6		1.	the return receipt from the notice; or		
7		2.	an affidavit that:		
8 9	with; or	A.	the notice provisions of this subsection have been complied		
10 11	reasonably ascertainable.	B.	the address of the holder of the subordinate interest is not		
	2 (5) If the filing under paragraph (4)(iii) of this subsection is made before 3 final ratification of the sale, failure of a holder of a subordinate interest to receive the 4 notice does not invalidate the sale.				
15	14-850.				
18	person who acquires a dec	ed to property property unde	VIDED IN SUBSECTION (B) OF THIS SECTION, ANY under this subtitle is entitled to issuance of a er the Maryland Rules as if the person had on of the property.		
22 23	SUBTITLE MAY NOT E THE PERSON KNOWS, AT LEAST 30 DAYS BE	BE ISSUED A OR HAS RE EFORE ISSUA	O ACQUIRES A DEED TO PROPERTY UNDER THIS WRIT FOR POSSESSION OF ANY PROPERTY THAT ASON TO KNOW, IS OCCUPIED BY A TENANT UNLESS ANCE OF THE WRIT THAT PERSON HAS NOTIFIED WIENT TO FILE FOR A WRIT FOR POSSESSION.		
25	(2) TH	E NOTICE U	NDER THIS SUBSECTION SHALL:		
	(-)		T BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN A POSTMARK FROM THE UNITED STATES POSTAL		
	` ,	GHT OF REI	COMPANIED BY A COPY OF THE JUDGMENT DEMPTION OF THE PROPERTY FOR WHICH THE WRIT D.		
34	THAT IS OCCUPIED BY REQUIREMENTS UND	Y A TENANT ER THIS SUI	BTAINS A WRIT FOR POSSESSION FOR A PROPERTY WITHOUT COMPLYING WITH THE NOTICE BSECTION, THE PERSON IS LIABLE TO THE TENANT NT'S PERSONAL PROPERTY THAT THE PERSON		

- 1 REMOVES OR HAS REMOVED FROM THE PROPERTY, IF THE DAMAGE IS CAUSED BY 2 THE REMOVAL OF THE PERSONAL PROPERTY.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 4 July 1, 1998.