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

Introduced and read first time: February 16, 1998
Assigned to: Rules and Executive Nominations
Re-referred to: Ways and Means, February 23, 1998

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 27, 1998

CHAPTER _____

1 AN ACT concerning

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 each tenant whose
5 identity is known of the property that is subject to the action; requiring that a
6 plaintiff in an action to foreclose a right of redemption send a written notice in a
7 certain manner to each tenant of the property that is subject to the action;
8 providing that the failure of a tenant to receive a certain notice does not
9 invalidate a tax sale under certain circumstances; providing that a tax sale title
10 holder takes property subject to certain rights of certain tenants, under certain
11 circumstances; ~~requiring that certain notice be given in a certain manner if a~~
12 ~~motion is filed requesting a writ of possession~~ requiring that notice be provided
13 to tenants on the status of any valid lease relevant to the subject property and
14 the date for termination of tenancy; and generally relating to notice to tenants of
15 a property subject to an action to foreclose a right of redemption ~~or motion for~~
16 ~~writ for possession of the property~~ and the validity of leases relevant to the
17 subject property.

18 BY repealing and reenacting, with amendments,
19 Article - Tax - Property
20 Section 14-836 and 14-850
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1997 Supplement)

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

3 **Article - Tax - Property**

4 14-836.

5 (a) The plaintiff in any action to foreclose the right of redemption shall be the
6 holder of the certificate of sale.

7 (b) (1) Except as otherwise provided in this subsection, the defendants in
8 any action to foreclose the right of redemption shall be:

9 (i) the record title holder of the property as disclosed by a search
10 performed in accordance with generally accepted standards of title examination of the
11 land records of the county, of the records of the register of wills of the county, and of
12 the records of the circuit court for the county;

13 (ii) if the property is subject to a ground rent, the record title holder
14 of the fee-simple title and the owner of the leasehold title as disclosed by a search
15 performed in accordance with generally accepted standards of title examination of the
16 land records of the county, of the records of the register of wills of the county and of
17 the records of the circuit court for the county;

18 (iii) any mortgagee of the property or any assignee of the mortgagee
19 of record, named as such in any unreleased mortgage recorded in the land records of
20 the county;

21 (iv) the trustee under any deed of trust recorded against the
22 property or any holder of a beneficial interest in a deed of trust who files notice of the
23 interest, which notice shall include identification of the deed of trust, the book and
24 page where the deed of trust is recorded, and the address at which the holder may be
25 served with a summons;

26 (v) the county where the property is located; and

27 (vi) if appropriate, the State.

28 (2) The plaintiff may choose not to include as a defendant any of the
29 persons enumerated in paragraph (1) of this subsection. However, the rights of any
30 person not included as a defendant are not affected by the proceedings.

31 (3) Subject to the provisions of paragraph (4) of this subsection, it is not
32 necessary to name as defendant any other person that has or claims to have any right,
33 title, interest, claim, lien or equity of redemption in the property sold by the collector.
34 Any of these persons are included as defendants by the designation "all persons that
35 have or claim to have any interest in property (giving a description of the property
36 in substantially the same form as the description that appears on the Collector's
37 certificate of tax sale)." Any of these persons may be designated throughout the

1 proceeding by the above designation and the cause may proceed against them by
2 publication under order of court as provided in this subtitle.

3 (4) (i) Notwithstanding the provisions of paragraph (3) of this
4 subsection, the plaintiff shall send written notice of the proceeding to:

5 1. all persons having a recorded interest, claim, or lien,
6 including a judgment, who have not been made a defendant in the proceeding, and, if
7 the subject property is the common areas owned by or legally dedicated to a
8 homeowners association, to the homeowners association governing the property, at
9 the last reasonably ascertainable address; AND

10 2. EACH TENANT OF THE SUBJECT PROPERTY WHOSE
11 IDENTITY IS KNOWN.

12 (ii) The notice under this subsection shall:

13 1. be sent by certified mail, postage prepaid, return receipt
14 requested, bearing a postmark from the United States Postal Service; and

15 2. be accompanied by a copy of the complaint.

16 (iii) The plaintiff shall file in the action:

17 1. the return receipt from the notice; or

18 2. an affidavit that:

19 A. the notice provisions of this subsection have been complied
20 with; or

21 B. the address of the holder of the subordinate interest is not
22 reasonably ascertainable.

23 (IV) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS
24 SUBSECTION, THE PLAINTIFF SHALL SEND WRITTEN NOTICE OF THE PROCEEDING
25 TO ANY TENANT OF THE SUBJECT PROPERTY, WHETHER OR NOT THE TENANT'S
26 IDENTITY IS KNOWN:

27 1. BY FIRST-CLASS MAIL, POSTAGE PREPAID, BEARING A
28 POSTMARK FROM THE UNITED STATES POSTAL SERVICE;

29 2. IN AN ENVELOPE PROMINENTLY MARKED ON THE
30 OUTSIDE WITH THE FOLLOWING PHRASE "NOTICE OF ACTION TO FORECLOSE"; AND

31 3. ACCOMPANIED BY A COPY OF THE COMPLAINT.

32 (5) (I) If the filing under paragraph (4)(iii) of this subsection is made
33 before final ratification of the sale, failure of a holder of a subordinate interest OR A
34 TENANT to receive the notice does not invalidate the sale.

1 (II) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE,
 2 ~~IF THE NOTICE REQUIRED UNDER PARAGRAPH (4) OF THIS SUBSECTION IS NOT~~
 3 ~~PROVIDED TO A TENANT OF THE SUBJECT PROPERTY, THE TAX SALE TITLE HOLDER~~
 4 ~~TAKES THE PROPERTY SUBJECT TO THE RIGHTS OF THE TENANT UNDER THE TERMS~~
 5 ~~OF ANY VALID, WRITTEN LEASE PERTAINING TO THE PROPERTY EXCEPT AS~~
 6 ~~PROVIDED IN SUBPARAGRAPHS (III) AND (IV) OF THIS PARAGRAPH, THE TRANSFER OF~~
 7 ~~TITLE TO THE HOLDER OF THE CERTIFICATE OF SALE DOES NOT INVALIDATE THE~~
 8 ~~LEASE OF THE TENANT IN POSSESSION OF THE PREMISES AT THE TIME OF THE~~
 9 ~~TRANSFER.~~

10 (III) A TENANT UNDER A LEASE THAT TERMINATES WITHIN A
 11 3-MONTH PERIOD, INCLUDING A PERIODIC WEEK-TO-WEEK AND A PERIODIC
 12 MONTH-TO-MONTH LEASE, RETAINS ALL RIGHTS UNDER THE EXISTING LEASE.

13 (IV) A TENANT UNDER A LEASE THAT TERMINATES WITHIN A TIME
 14 PERIOD THAT IS GREATER THAN 3 MONTHS MAY CONTINUE TO POSSESS AND USE
 15 THE SUBJECT PROPERTY UNDER WHATEVER TERMS EXISTED BEFORE THE DATE ON
 16 WHICH THE JUDGMENT OF FORECLOSURE WAS ENTERED EXCEPT THAT THE LEASE
 17 MAY TERMINATE, AT THE OPTION OF THE NEW LANDLORD, AFTER A PERIOD OF 3
 18 MONTHS FROM THE DATE ON WHICH THE JUDGMENT OF FORECLOSURE IS
 19 ENTERED.

20 (V) WHEN THE HOLDER OF THE CERTIFICATE OF SALE TAKES THE
 21 SUBJECT PROPERTY, NOTICE SHALL BE PROVIDED TO ANY TENANT COVERED UNDER
 22 SUBPARAGRAPH (II) OF THIS PARAGRAPH THROUGH FIRST-CLASS MAIL THAT
 23 DESCRIBES THE LEASE TERMS APPLICABLE TO THE TENANT AND THE DATE FOR
 24 TERMINATION OF TENANCY UNDER THOSE TERMS.

25 14-850.

26 (A) ~~[Any] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION~~
 27 ~~SUBJECT TO THE PROVISIONS OF § 14-836 OF THIS SUBTITLE, ANY person who~~
 28 ~~acquires a deed to property under this subtitle is entitled to issuance of a writ for~~
 29 ~~possession of the property under the Maryland Rules as if the person had obtained a~~
 30 ~~judgment awarding possession of the property.~~

31 (B) ~~(1) WHEN A PERSON WHO ACQUIRES A DEED TO PROPERTY UNDER THIS~~
 32 ~~SUBTITLE FILES A MOTION UNDER THE MARYLAND RULES REQUESTING A WRIT OF~~
 33 ~~POSSESSION, THE PERSON SHALL SEND A WRITTEN NOTICE OF THE MOTION TO A~~
 34 ~~TENANT OF THE SUBJECT PROPERTY IF THE IDENTITY AND ADDRESS OF THE~~
 35 ~~TENANT ARE REASONABLY ASCERTAINABLE.~~

36 ~~(2) THE NOTICE UNDER THIS SUBSECTION SHALL:~~

37 ~~(i) BE SENT BY CERTIFIED MAIL, POSTAGE PREPAID, RETURN~~
 38 ~~RECEIPT REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL~~
 39 ~~SERVICE; AND~~

40 ~~(ii) BE ACCOMPANIED BY A COPY OF THE MOTION REQUESTING~~
 41 ~~THE WRIT FOR POSSESSION.~~

1 (3) ~~IF THE ADDRESS OR IDENTITY OF THE TENANT IS NOT REASONABLY~~
2 ~~ASCERTAINABLE, THE NOTICE UNDER THIS SUBSECTION SHALL BE POSTED IN A~~
3 ~~CONSPICUOUS MANNER ON THE SUBJECT PROPERTY.~~

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 1998.