

SENATE BILL 31

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1998 Regular Session
8lr0329

(PRE-FILED)

By: **Senators Green and Boozer**
Requested: September 9, 1997
Introduced and read first time: January 14, 1998
Assigned to: Budget and Taxation

A BILL ENTITLED

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 of the
5 property that is subject to the action; and generally relating to notice to tenants
6 of a property that is subject to an action to foreclose a right of redemption.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - Property
9 Section 14-836
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1997 Supplement)

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

14 **Article - Tax - Property**

15 14-836.

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

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

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

24 (ii) if the property is subject to a ground rent, the record title holder
25 of the fee-simple title and the owner of the leasehold title as disclosed by a search
26 performed in accordance with generally accepted standards of title examination of the

1 land records of the county, of the records of the register of wills of the county and of
2 the records of the circuit court for the county;

3 (iii) any mortgagee of the property or any assignee of the mortgagee
4 of record, named as such in any unreleased mortgage recorded in the land records of
5 the county;

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

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

12 (vi) if appropriate, the State.

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

16 (3) Subject to the provisions of paragraph (4) of this subsection, it is not
17 necessary to name as defendant any other person that has or claims to have any right,
18 title, interest, claim, lien or equity of redemption in the property sold by the collector.
19 Any of these persons are included as defendants by the designation "all persons that
20 have or claim to have any interest in property (giving a description of the property
21 in substantially the same form as the description that appears on the Collector's
22 certificate of tax sale)." Any of these persons may be designated throughout the
23 proceeding by the above designation and the cause may proceed against them by
24 publication under order of court as provided in this subtitle.

25 (4) (i) Notwithstanding the provisions of paragraph (3) of this
26 subsection, the plaintiff shall send written notice of the proceeding to EACH TENANT
27 OF THE SUBJECT PROPERTY AND all persons having a recorded interest, claim, or
28 lien, including a judgment, who have not been made a defendant in the proceeding,
29 and, if the subject property is the common areas owned by or legally dedicated to a
30 homeowners association, to the homeowners association governing the property, at
31 the last reasonably ascertainable address.

32 (ii) The notice under this subsection shall:

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

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

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

37 1. the return receipt from the notice; or

- 1 2. an affidavit that:
- 2 A. the notice provisions of this subsection have been complied
- 3 with; or
- 4 B. the address of the holder of the subordinate interest is not
- 5 reasonably ascertainable.

6 (5) If the filing under paragraph (4)(iii) of this subsection is made before
7 final ratification of the sale, failure of a holder of a subordinate interest to receive the
8 notice does not invalidate the sale.

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