

SENATE BILL 552  
EMERGENCY BILL

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1999 Regular Session  
9r0580

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By: **Senator Colburn**

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales - High-Bid Premiums**

3 FOR the purpose of altering the calculation of a certain high-bid premium imposed on  
4 the sale of property at a tax sale when the highest bid exceeds a certain value;  
5 making this Act an emergency measure; and generally relating to the  
6 calculation of a high-bid premium at a tax sale.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - Property  
9 Section 14-817(b)  
10 Annotated Code of Maryland  
11 (1994 Replacement Volume and 1998 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 14-817.

16 (b) (1) Except as provided in subsection (c) of this section, property may not  
17 be sold for a sum less than the total amount of all taxes on the property that are  
18 certified to the collector under § 14-810 of this subtitle, together with interest and  
19 penalties on the taxes and the expenses incurred in making the sale, and the lien for  
20 the taxes, interest, penalties, and expenses passes to the purchaser.

21 (2) (i) The collector may establish a high-bid premium to be applied to  
22 all properties to be sold at the tax sale.

23 (ii) Except as provided in subparagraph (iii) of this paragraph, the  
24 high-bid premium shall be 20% of the amount by which the highest bid exceeds [40%  
25 of] the property's full cash value.

26 (iii) For property assessed under agricultural use assessment, the  
27 high-bid premium shall be 20% of the amount by which the highest bid exceeds the  
28 appropriate value determined by the collector.

1 (iv) In addition to the amounts payable under paragraph (1) of this  
2 subsection, the highest bidder shall pay a high-bid premium if the collector:

3 1. determines that a high-bid premium shall be used for the  
4 tax sale; and

5 2. indicates in the public notice of the sale that the high-bid  
6 premium will be applied.

7 (v) The collector shall refund the high-bid premium, without  
8 interest, to:

9 1. the holder of the tax sale certificate on redemption of the  
10 property for which the high-bid premium was paid; or

11 2. the plaintiff in an action to foreclose the right of  
12 redemption on delivery of a tax sale deed for the property for which the high-bid  
13 premium was paid.

14 (vi) The high-bid premium is not refundable after the time required  
15 under § 14-833 of this subtitle for an action to foreclose the right of redemption if  
16 there has been no redemption and if an action to foreclose the right of redemption has  
17 not been filed within that time.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
19 measure, is necessary for the immediate preservation of the public health and safety,  
20 has been passed by a ye and nay vote supported by three-fifths of all the members  
21 elected to each of the two Houses of the General Assembly, and shall take effect from  
22 the date it is enacted.