

SENATE BILL 12

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Q1  
SB 515/99 - B&T

2000 Regular Session  
0lr0338  
CF 0lr0328

(PRE-FILED)

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By: **Senator Hoffman**  
Requested: July 21, 1999  
Introduced and read first time: January 12, 2000  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 7, 2000

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Personal Property Tax~~ **Real Property - Recordation - Lien for Unpaid**  
3 **Personal Property Taxes**

4 FOR the purpose of ~~clarifying that the lien on real property for unpaid tax on personal~~  
5 ~~property is subordinate to all other liens perfected against the real property~~  
6 ~~prior to the attachment of the lien~~ providing that certain requirements for  
7 payment of certain personal property taxes before certain property may be  
8 transferred on the assessment books or records do not apply to certain grants of  
9 land made by a deed in lieu of foreclosure; providing that certain land is free and  
10 clear of any lien or claim of lien for unpaid taxes on personal property under  
11 certain circumstances; and providing for the application of this Act; and  
12 generally relating to certain liens for unpaid personal property taxes.

13 BY repealing and reenacting, with amendments,  
14 Article - ~~Tax - Property~~ Real Property  
15 Section ~~14-804(b)~~ 3-104(c)(1)  
16 Annotated Code of Maryland  
17 (~~1994~~ 1996 Replacement Volume and 1999 Supplement)

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

1

**Article – Tax – Property**

2 14-804.

3 (b) All unpaid tax on personal property is a lien on the personal property and  
 4 on the real property of the owner of the personal property in the same manner in  
 5 which taxes on real property are now liens on the real property with respect to which  
 6 they are imposed in all subdivisions of the State[; provided], EXCEPT that the lien  
 7 will attach to the real property only after the notice has been recorded and indexed  
 8 among the judgment records in the office of the clerk of the circuit court in the county  
 9 where the land lies, or is recorded and indexed on the tax rolls of the subdivision, AND  
 10 THE LIEN WILL BE SUBORDINATE TO ALL OTHER LIENS OF EVERY KIND PERFECTED  
 11 AGAINST THE REAL PROPERTY PRIOR TO THE ATTACHMENT OF THE LIEN. Any  
 12 subdivision, in lieu of recording in the appropriate court, may use a lien reporting  
 13 system, and any subdivision so doing shall provide, on request, a lien report or  
 14 memorandum with respect to any particular person.

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**Article - Real Property**16 3-104.

17 (c) (1) (I) The requirements for prepayment of personal property taxes in  
 18 subsection (b) OF THIS SECTION do not apply to grants of land made [by]:

19 1. BY or on behalf of [any of the following:] any mortgagee,  
 20 lien creditor, trustee of a deed of trust, judgment creditor, trustee in bankruptcy or  
 21 receiver, and any other court-appointed officer in an insolvency or liquidation  
 22 proceeding; OR

23 2. BY A DEED IN LIEU OF FORECLOSURE TO ANY HOLDER OF  
 24 A MORTGAGE OR DEED OF TRUST OR TO THE HOLDER'S ASSIGNEE OR DESIGNEE.

25 (II) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AND  
 26 EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, AFTER THE  
 27 RECORDATION OF A DEED OR OTHER INSTRUMENT THAT EFFECTS A GRANT OF LAND  
 28 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE LAND SHALL BE FREE  
 29 AND CLEAR OF, AND UNENCUMBERED BY, ANY LIEN OR CLAIM OF LIEN FOR ANY  
 30 UNPAID TAXES ON PERSONAL PROPERTY.

31 (III) SUBPARAGRAPH (II) OF THIS PARAGRAPH DOES NOT APPLY TO:

32 1. ANY LIEN FOR UNPAID TAXES ON PERSONAL PROPERTY  
 33 THAT ATTACHED TO THE LAND BY RECORDING AND INDEXING A NOTICE AS  
 34 PROVIDED IN § 14-804(B) OF THE TAX - PROPERTY ARTICLE PRIOR TO THE RECORDING  
 35 OF THE MORTGAGE, LIEN, DEED OF TRUST, OR OTHER ENCUMBRANCE GIVING RISE  
 36 TO THE GRANT OF LAND DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH; OR

37 2. UNPAID TAXES ON PERSONAL PROPERTY OWED BY THE  
 38 TRANSFeree OR SUBSEQUENT OWNER OF THE LAND AFTER A GRANT OF LAND  
 39 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH.

1                    (IV) THIS PARAGRAPH DOES NOT AFFECT THE RIGHTS OF THE  
2 PERSONAL PROPERTY TAX LIENHOLDER TO MAKE A CLAIM TO ANY SURPLUS  
3 PROCEEDS FROM A JUDICIAL SALE OF LAND RESULTING IN A GRANT OF LAND  
4 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH.

5       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
6 effect July 1, 2000 and shall apply to all liens or claims of liens for unpaid taxes on  
7 personal property in existence on or after July 1, 2000.