

SENATE BILL 719

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2000 Regular Session  
0lr2275  
CF 0lr2274

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By: **Senator McFadden (Baltimore City Administration) and Senator Hughes**

Introduced and read first time: February 4, 2000  
Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 8, 2000

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Baltimore City - Tax Sales - Abandoned Property**

3 FOR the purpose of altering the applicability of certain provisions authorizing certain  
4 abandoned property in Baltimore City to be sold for a sum less than a certain  
5 amount otherwise due for tax sales; requiring the collector to establish a  
6 minimum bid for the sale of abandoned property; providing that certain unpaid  
7 balances for certain abandoned property sold at a tax sale are no longer liens on  
8 real property under certain circumstances; clarifying the authority of Baltimore  
9 City to institute certain legal proceedings relating to certain abandoned  
10 property sold at a tax sale; requiring a collector to require the payment by a  
11 certain date of the bid amount and expenses for certain tax sales of certain  
12 abandoned property in Baltimore City; authorizing Baltimore City to purchase  
13 certain abandoned property for which there is no private purchaser under  
14 certain circumstances; providing that a tax sale certificate for certain  
15 abandoned property reverts to the City and is void as to a private purchaser  
16 unless a foreclosure proceeding is filed within a certain time and a foreclosure  
17 decree is secured within a certain time; specifying certain authority of Baltimore  
18 City if a tax sale certificate for certain abandoned property reverts to the City  
19 under certain circumstances; altering the circumstances under which the final  
20 order in a foreclosure proceeding brought by the City for certain abandoned  
21 property shall include a certain judgment against the person liable for taxes  
22 prior to the sale; repealing a provision prohibiting certain judgments for unpaid  
23 taxes on certain abandoned property in Baltimore City from being executed  
24 against the primary residence of the judgment debtor; providing that if a  
25 judgment foreclosing all rights of redemption is set aside, the amount required  
26 to redeem the property includes certain costs incurred with respect to  
27 development of property; limiting the ~~recovery of a petitioner who files~~ damages

1 in an action to reopen a judgment or recover damages on certain grounds with  
2 respect to abandoned property in Baltimore City to the fair market value of the  
3 property at the time of sale; providing that certain final judgments of foreclosure  
4 for certain abandoned property in Baltimore City are void under certain  
5 circumstances; and generally relating to tax sales of certain abandoned property  
6 in Baltimore City.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - Property  
9 Section 14-817(c), 14-818(a), 14-820, 14-824, 14-833(c) and (d), 14-835(a),  
10 14-843(b), 14-844(e), 14-845, and 14-847(d)  
11 Annotated Code of Maryland  
12 (1994 Replacement Volume and 1999 Supplement)

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

15 **Article - Tax - Property**

16 14-817.

17 (c) (1) In Baltimore City, ABANDONED PROPERTY CONSISTING OF EITHER A  
18 VACANT LOT OR IMPROVED property cited as vacant and [abandoned] UNFIT FOR  
19 HABITATION on a housing or building violation notice may be sold for a sum less than  
20 the total amount of:

21 (i) all taxes on the property that are certified to the collector under  
22 § 14-810 of this subtitle;

23 (ii) interest and penalties on the taxes; and

24 (iii) expenses incurred in making the sale.

25 (2) THE COLLECTOR SHALL ESTABLISH A MINIMUM BID FOR  
26 ABANDONED PROPERTY SOLD UNDER THIS SUBSECTION.

27 [(2)] (3) The person responsible for the taxes prior to the sale shall  
28 remain liable to the collector for the difference between the amount received in the  
29 tax sale under this section and the taxes, interest, penalties, and expenses remaining  
30 after the sale.

31 [(3)] (4) The balance remaining after the tax sale shall be included in  
32 the amount necessary to redeem the property under § 14-828 of this subtitle.

33 [(4)] (5) In a proceeding to foreclose the right of redemption under this  
34 subtitle, the complaint shall request a judgment for the city in the amount of the  
35 balance [otherwise due under this section].

1 (6) THE BALANCE REMAINING AFTER THE TAX SALE IS NO LONGER A  
2 LIEN ON THE PROPERTY WHEN:

3 (I) A JUDGMENT IS ENTERED FORECLOSING THE OWNER'S RIGHT  
4 OF REDEMPTION;

5 (II) THE DEED IS RECORDED; AND

6 (III) ALL LIENS ACCRUING SUBSEQUENT TO THE DATE OF SALE ARE  
7 PAID IN FULL.

8 (7) THE MAYOR AND CITY COUNCIL MAY INSTITUTE A SEPARATE  
9 ACTION TO COLLECT THE BALANCE AT ANY TIME WITHIN 7 YEARS AFTER THE TAX  
10 SALE IF THE PLAINTIFF IS A PRIVATE PURCHASER.

11 14-818.

12 (a) (1) (i) The payment of the purchase price and the high-bid premium,  
13 if any, shall be on the terms required by the collector. Except as provided in  
14 [subparagraph (ii)] SUBPARAGRAPHS (II) AND (III) of this paragraph and § 14-826 of  
15 this subtitle, the collector shall require the purchaser to pay, not later than the day  
16 after the sale, the full amount of taxes due on the property sold, whether the taxes are  
17 in arrears or not, together with interest and penalties on the taxes, expenses incurred  
18 in making the sale, and the high-bid premium, if any. The residue of the purchase  
19 price remains on credit.

20 (ii) In Washington County, the collector shall require the purchaser  
21 to pay on the day of the sale the full amount of taxes due on the property sold,  
22 whether the taxes are in arrears or not, together with interest and penalties on the  
23 taxes, and expenses incurred in making the sale.

24 (III) IN BALTIMORE CITY, WHEN ABANDONED PROPERTY IS SOLD  
25 FOR LESS THAN THE FULL AMOUNT OF TAXES DUE ON THE PROPERTY, THE  
26 COLLECTOR SHALL REQUIRE THE PURCHASER TO PAY, NOT LATER THAN THE DAY  
27 AFTER THE SALE:

28 1. THE FULL AMOUNT BID; AND

29 2. THE EXPENSES INCURRED IN MAKING THE SALE.

30 (2) After the final decree has been passed foreclosing the right of  
31 redemption in any property, the collector may not execute or deliver a deed to any  
32 purchaser other than the governing body of a county until the balance of the purchase  
33 price has been paid in full, together with all taxes and interest and penalties on the  
34 taxes accruing after the date of sale.

35 (3) On receiving the balance and after accrued taxes and interest and  
36 penalties on the taxes, the collector shall execute and deliver a proper deed to the  
37 purchaser.

1 (4) Any balance over the amount required for the payment of taxes,  
2 interest, penalties, and costs of sale shall be paid by the collector to:

3 (i) the person entitled to the balance; or

4 (ii) when there is a dispute regarding payment of the balance, a  
5 court of competent jurisdiction pending a court order to determine the proper  
6 distribution of the balance.

7 14-820.

8 (a) The collector shall deliver to the purchaser a certificate of sale under the  
9 collector's hand and seal, or by the collector's authorized facsimile signature,  
10 acknowledged by the collector as a conveyance of land, which certificate shall set  
11 forth:

12 (1) that the property described in it was sold by the collector to the  
13 purchaser;

14 (2) the date of the sale;

15 (3) the amount for which the property was sold;

16 (4) the total amount of taxes due on the property at the time of sale  
17 together with interest, penalties and expenses incurred in making the sale;

18 (5) a description of the property in substantially the same form as the  
19 description appearing on the collector's tax roll. If the property is unimproved or has  
20 no street number, and the collector has procured a description of the property from  
21 the county or municipal corporation surveyor, this description shall be included in the  
22 certificate of sale. In Garrett County a copy of the description as required by §  
23 14-813(f) of this subtitle, as that section relates specifically to Garrett County, shall  
24 be included in the certificate of sale;

25 (6) a statement that the rate of redemption is 6% a year, except as  
26 provided in subsection (b) of this section;

27 (7) the time when an action to foreclose the right of redemption may be  
28 instituted; and

29 (8) (I) that the certificate will be void unless foreclosure proceedings  
30 are brought within 2 years from the date of the certificate; or

31 (II) THAT UNLESS FORECLOSURE PROCEEDINGS ARE BROUGHT  
32 WITHIN 3 MONTHS FROM THE DATE OF THE CERTIFICATE TO ANY ABANDONED  
33 PROPERTY in Baltimore City[, with respect to any property which was cited as vacant  
34 and abandoned on a housing or building violation notice outstanding on the date of  
35 tax sale, within 1 year from the date of the certificate] SOLD UNDER § 14-817(C)(1) OF  
36 THIS SUBTITLE, THE CERTIFICATE:

- 1                                   1.        IS VOID AS TO A PRIVATE PURCHASER; AND
- 2                                   2.        REVERTS TO THE MAYOR AND CITY COUNCIL FOR A
- 3 PERIOD OF 2 YEARS FROM THE DATE OF THE TAX SALE.

4       (b)       The rate of redemption is 6% a year except:

5                   (1)       in Allegany County the rate is 6% a year or as fixed by the County

6 Commissioners;

7                   (2)       in Anne Arundel County the rate is 6% a year or as fixed by a law of

8 the County Council;

9                   (3)       in Baltimore City the rate is 6% a year or as fixed by a law of the City

10 Council;

11                   (4)       in Baltimore County the rate is 6% a year or as fixed by a law of the

12 County Council;

13                   (5)       in Cecil County the rate is 6% a year or as fixed by the County

14 Commissioners;

15                   (6)       in Calvert County the rate is 10% a year or as fixed by the County

16 Commissioners;

17                   (7)       in Caroline County the rate is 10% a year or as fixed by the County

18 Commissioners;

19                   (8)       in Carroll County the rate is 14% a year or as fixed by the County

20 Commissioners;

21                   (9)       in Dorchester County the rate is 10% a year or as fixed by the County

22 Commissioners;

23                   (10)       in Frederick County the rate is 6% a year or as fixed by the County

24 Commissioners;

25                   (11)       In Garrett County the rate is 10% a year or as fixed by the County

26 Commissioners;

27                   (12)       in Harford County the rate is 6% a year or as fixed by a law of the

28 County Council;

29                   (13)       in Howard County the rate is 6% a year or as fixed by a law of the

30 County Council;

31                   (14)       in Kent County the rate is 6% a year or as fixed by the County

32 Commissioners;

33                   (15)       in Montgomery County the rate is 6% a year or as fixed by a law of

34 the County Council;

1 (16) in Prince George's County the rate is 6% a year or as fixed by a law of  
2 the County Council;

3 (17) in Queen Anne's County the rate is 6% a year or as fixed by the  
4 County Commissioners;

5 (18) in Somerset, Charles, Wicomico, and Worcester Counties the rate is  
6 6% a year or as fixed by the County Commissioners or by a law of the County Council;

7 (19) in Talbot County the rate is 6% a year or as fixed by a law of the  
8 County Council; and

9 (20) in Washington County the rate is 6% a year or as fixed by the County  
10 Commissioners.

11 (c) The certificate of sale shall be in substantially the following form:

12 "I, ....., Collector of Taxes for the State of Maryland and the ..... of .....,  
13 certify that on ....., [19] 20...., I sold to ....., at public auction for the sum of .....  
14 Dollars and ..... Cents, of which ..... Dollars has been paid, the property in .....  
15 described as ..... and assessed to ..... The property described in this certificate is  
16 subject to redemption. On redemption the holder of the certificate will be refunded  
17 the sums paid on account of the purchase price together with interest at the rate of  
18 6% a year from the date of payment to the date of redemption (except as stated in  
19 subsection (b) of § 14-820 of the Tax - Property Article of the Annotated Code of  
20 Maryland), together with all other amounts specified by Chapter 761 of the Acts of  
21 1943, and acts that amend that chapter. The balance due on account of the purchase  
22 price and all taxes, together with interest and penalties on the taxes, accruing after  
23 the date of sale, must be paid to the Collector before a deed can be delivered to the  
24 purchaser. After ....., [19] 20...., a proceeding can be brought to foreclose all rights  
25 of redemption in the property. This certificate will be void unless such a proceeding is  
26 brought within 2 years from the date of this certificate, except that in Baltimore City,  
27 with respect to any ABANDONED property [which was] CONSISTING OF A VACANT  
28 LOT OR IMPROVED PROPERTY cited as vacant and [abandoned] UNFIT FOR  
29 HABITATION on a housing or building violation notice outstanding on the date of the  
30 tax sale, the certificate will REVERT TO THE MAYOR AND CITY COUNCIL AND WILL be  
31 void AS TO THE PRIVATE PURCHASER AT TAX SALE unless such a proceeding is  
32 brought within [1 year] 3 MONTHS from the date of the certificate.

33 Witness my hand and seal, this ..... day of ....., [19] 20.....

34 .....  
35 COLLECTOR"

(To be followed by acknowledgment).

2 14-824.

3 (A) [The] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE  
4 governing body of a county or other taxing agency shall buy in and hold any property  
5 in their respective counties offered for sale for nonpayment of any taxes for which  
6 there is no private purchaser.

7 (B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY BUY IN AND  
8 HOLD ANY ABANDONED PROPERTY FOR WHICH THERE IS NO PRIVATE PURCHASER  
9 FOR THE AMOUNT OF THE MINIMUM BID SET PURSUANT TO § 14-817(C)(2) OF THIS  
10 SUBTITLE.

11 (C) The governing body of the county and other taxing agency have the same  
12 rights and remedies with regard to the property as other purchasers, including the  
13 right to foreclose the right of redemption.

14 (D) A certificate of sale in the form provided in this subtitle shall be issued by  
15 the collector in the name of the Mayor and City Council of Baltimore City or the  
16 governing body of the county or other taxing agency.

17 14-833.

18 (c) (1) The certificate is void unless a proceeding to foreclose the right of  
19 redemption is filed within 2 years of the date of the certificate of sale.

20 (2) In Baltimore City[, with respect to any property which was cited as  
21 vacant and abandoned on a housing or building violation notice outstanding on the  
22 date of the tax sale, the] A certificate FOR ABANDONED PROPERTY REVERTS TO THE  
23 MAYOR AND CITY COUNCIL AND is void AS TO THE PRIVATE PURCHASER AT TAX SALE  
24 unless:

25 (i) a proceeding to foreclose the right of redemption is filed within  
26 [1 year] 3 MONTHS of the date of the certificate of sale; and

27 (ii) unless the holder is granted an extension by the court due to a  
28 showing of extraordinary circumstances beyond the certificate holder's control, the  
29 holder secures a decree from the circuit court in which the foreclosure proceeding was  
30 filed within [2 years] 18 MONTHS from the date of the filing of the foreclosure  
31 proceeding.

32 (d) (1) If a certificate is void under subsection (c) of this section, then any  
33 right, title, and interest of the holder of the certificate of sale, in the property sold  
34 shall cease and all money received by the collector on account of the sale shall be  
35 deemed forfeited, and shall be applied by the collector on the taxes in arrears on the  
36 property.

1 (2) IF A CERTIFICATE FOR ABANDONED PROPERTY REVERTS TO THE  
2 MAYOR AND CITY COUNCIL OF BALTIMORE CITY UNDER THIS SECTION, THE MAYOR  
3 AND CITY COUNCIL MAY:

4 (I) FILE A FORECLOSURE PROCEEDING IN ITS OWN NAME; OR

5 (II) 1. RESELL THE CERTIFICATE; AND

6 2. APPLY ALL MONEY RECEIVED ON ACCOUNT OF THE SALE  
7 TO ANY OUTSTANDING BALANCE REMAINING AFTER THE SALE ON THE TAX DEBT  
8 OWED BY THE PREVIOUS OWNER OF THE ABANDONED PROPERTY.

9 14-835.

10 (a) A person shall file a complaint in the circuit court for the county in which  
11 the land is located, that states:

12 (1) the fact of the issuance of the certificate of sale;

13 (2) a description of the property in substantially the same form as the  
14 description appearing on the certificate of tax sale and, if the person chooses, any  
15 description of the property that appears in the land records;

16 (3) the fact that the property has not been redeemed by any party in  
17 interest;

18 (4) a request for process to be served on the defendants named in the  
19 complaint;

20 (5) a request for an order of publication directed to all parties in interest  
21 in the property;

22 (6) a request that the court pass a judgment that forecloses all rights of  
23 redemption of the defendants and any other person having any interest in the  
24 property;

25 (7) a description of the amount necessary for redemption including the  
26 amount paid out at the tax sale; and

27 (8) for vacant and abandoned property in Baltimore City sold TO  
28 BALTIMORE CITY for a sum less than the amount due under § 14-817 of this subtitle,  
29 a request that the court pass a judgment for the City and against the person liable for  
30 the taxes prior to the sale in the amount of the unpaid taxes, interest, penalties, and  
31 expenses otherwise due in a tax sale.

32 14-843.

33 (b) (1) Except as provided in paragraph (2) of this subsection, in Allegany  
34 County, Anne Arundel County, Baltimore City, Baltimore County, Calvert County,  
35 Caroline County, Carroll County, Cecil County, Charles County, Dorchester County,  
36 Frederick County, Garrett County, Harford County, Howard County, Kent County,



1 Prince George's County, Queen Anne's County, St. Mary's County, Somerset County,  
 2 Washington County, Wicomico County, and Worcester County, the plaintiff or holder  
 3 of a certificate of sale is not entitled to be reimbursed for expenses incurred within 4  
 4 months after the date of sale.

5 (2) This subsection does not apply to property for which the holder:

6 (I) may file a complaint any time after 60 days from the date of  
 7 sale, pursuant to § 14-833(e) of this [title] SUBTITLE; OR

8 (II) MUST FILE A COMPLAINT WITHIN 3 MONTHS FROM THE DATE  
 9 OF SALE, PURSUANT TO § 14-833(C)(2) OF THIS SUBTITLE.

10 14-844.

11 (e) [(1)] In Baltimore City[, in the event that the person liable for taxes prior  
 12 to the tax sale has been personally served with process,] where [vacant and]  
 13 abandoned property has been sold for a sum less than the amount due under § 14-817  
 14 of this subtitle, IN A FORECLOSURE PROCEEDING BROUGHT BY THE MAYOR AND CITY  
 15 COUNCIL, the final order shall include a judgment in favor of the city and against the  
 16 person liable for taxes prior to the sale, in the amount of the unpaid taxes, interest,  
 17 penalties, and expenses otherwise due in a tax sale.

18 [(2)] A judgment pursuant to this subsection may not be executed against  
 19 the primary personal residence of the judgment debtor. This paragraph does not limit  
 20 or restrict any other right or remedy available to the City for the collection or  
 21 enforcement of taxes or other amounts due from the debtor.]

22 14-845.

23 (a) A court in the State may not reopen a judgment rendered in a tax sale  
 24 foreclosure proceeding except on the ground of lack of jurisdiction or fraud in the  
 25 conduct of the proceedings to foreclose; however, no reopening of any judgment on the  
 26 ground of constructive fraud in the conduct of the proceedings to foreclose shall be  
 27 entertained by any court unless an application to reopen a judgment rendered is filed  
 28 within 1 year from the date of the judgment.

29 (b) If the judgment of the court foreclosing all rights of redemption is set aside,  
 30 the amount required to redeem is the amount required by this subtitle, and in  
 31 addition, the reasonable value, at the date the judgment is set aside, of all  
 32 improvements made on the property AND ALL COSTS INCURRED WITH RESPECT TO  
 33 DEVELOPMENT OF THE PROPERTY by the purchaser and the purchaser's successors  
 34 in interest.

35 (C) (1) IN BALTIMORE CITY, WITH RESPECT TO ABANDONED PROPERTY, A  
 36 ~~PETITIONER WHO FILES AN ACTION TO REOPEN A JUDGMENT OR TO RECOVER~~  
 37 ~~DAMAGES ON THE GROUND OF CONSTRUCTIVE FRAUD OR INADEQUATE NOTICE~~  
 38 ~~MUST FILE WITHIN 1 YEAR SHALL BE FILED WITHIN 3 YEARS FROM THE DATE OF~~  
 39 ~~JUDGMENT AND MAY NOT RECOVER MORE THAN THE~~.

