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By: **Delegate Marriott (Baltimore City Administration)**

Introduced and read first time: February 1, 2002

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: March 22, 2002

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

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

3 FOR the purpose of clarifying the applicability of certain provisions making a  
4 certificate of sale for certain abandoned property in Baltimore City void unless  
5 foreclosure proceedings are brought within a certain amount of time;  
6 authorizing the holder of a certificate of sale for certain abandoned property in  
7 Baltimore City to file a complaint to foreclose certain rights of redemption at  
8 any time after the date of the sale; repealing a provision of law that voids a  
9 judgment of foreclosure on certain abandoned property in Baltimore City if  
10 certain liens are not paid within a certain amount of time and a certain deed is  
11 not recorded within a certain amount of time; providing that following a  
12 judgment of foreclosure and the enrolling of a certain certificate holder as the  
13 owner of certain property, the certificate holder in Baltimore City is not an  
14 interested party for purposes of voiding the judgment; and generally relating to  
15 tax sales of certain abandoned property in Baltimore City.

16 BY repealing and reenacting, without amendments,  
17 Article - Tax - Property  
18 Section 14-817(c)  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2001 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article - Tax - Property  
23 Section 14-820, 14-833, and 14-847  
24 Annotated Code of Maryland  
25 (2001 Replacement Volume and 2001 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 14-817.

5 (c) (1) In Baltimore City, abandoned property consisting of either a vacant  
6 lot or improved property cited as vacant and unfit for habitation on a housing or  
7 building violation notice may be sold for a sum less than the total amount of:

8 (i) all taxes on the property that are certified to the collector under  
9 § 14-810 of this subtitle;

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

11 (iii) expenses incurred in making the sale.

12 (2) The collector shall establish a minimum bid for abandoned property  
13 sold under this subsection.

14 (3) The person responsible for the taxes prior to the sale shall remain  
15 liable to the collector for the difference between the amount received in the tax sale  
16 under this section and the taxes, interest, penalties, and expenses remaining after  
17 the sale.

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

20 (5) In a proceeding to foreclose the right of redemption under this  
21 subtitle, the complaint shall request a judgment for the city in the amount of the  
22 balance.

23 (6) The balance remaining after the tax sale is no longer a lien on the  
24 property when:

25 (i) a judgment is entered foreclosing the owner's right of  
26 redemption;

27 (ii) the deed is recorded; and

28 (iii) all liens accruing subsequent to the date of sale are paid in full.

29 (7) The Mayor and City Council may institute a separate action to collect  
30 the balance at any time within 7 years after the tax sale if the plaintiff is a private  
31 purchaser.

32 14-820.

33 (a) The collector shall deliver to the purchaser a certificate of sale under the  
34 collector's hand and seal, or by the collector's authorized facsimile signature,

1 acknowledged by the collector as a conveyance of land, which certificate shall set  
2 forth:

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

5 (2) the date of the sale;

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

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

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

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

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

20 (8) (i) that the certificate will be void unless foreclosure proceedings  
21 are brought within 2 years from the date of the certificate; or

22 (ii) [that] THAT, unless foreclosure proceedings are brought within  
23 3 months from the date of the certificate to any abandoned property in Baltimore City  
24 sold under § 14-817(c)(1) of this subtitle WITH A MINIMUM BID LESS THAN THE LIEN  
25 AMOUNT, the certificate:

26 1. is void as to a private purchaser; and

27 2. reverts to the Mayor and City Council for a period of 2  
28 years from the date of the tax sale.

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

30 (1) in Allegany County the rate is 6% a year or as fixed by the County  
31 Commissioners;

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

34 (3) in Baltimore City the rate is 6% a year or as fixed by a law of the City  
35 Council;

- 1           (4)       in Baltimore County the rate is 6% a year or as fixed by a law of the  
2 County Council;
- 3           (5)       in Cecil County the rate is 6% a year or as fixed by the County  
4 Commissioners;
- 5           (6)       in Calvert County the rate is 10% a year or as fixed by the County  
6 Commissioners;
- 7           (7)       in Caroline County the rate is 10% a year or as fixed by the County  
8 Commissioners;
- 9           (8)       in Carroll County the rate is 14% a year or as fixed by the County  
10 Commissioners;
- 11          (9)       in Dorchester County the rate is 10% a year or as fixed by the County  
12 Commissioners;
- 13          (10)      in Frederick County the rate is 6% a year or as fixed by the County  
14 Commissioners;
- 15          (11)      in Garrett County the rate is 10% a year or as fixed by the County  
16 Commissioners;
- 17          (12)      in Harford County the rate is 6% a year or as fixed by a law of the  
18 County Council;
- 19          (13)      in Howard County the rate is 6% a year or as fixed by a law of the  
20 County Council;
- 21          (14)      in Kent County the rate is 6% a year or as fixed by the County  
22 Commissioners;
- 23          (15)      in Montgomery County the rate is 6% a year or as fixed by a law of  
24 the County Council;
- 25          (16)      in Prince George's County the rate is 6% a year or as fixed by a law of  
26 the County Council;
- 27          (17)      in Queen Anne's County the rate is 6% a year or as fixed by the  
28 County Commissioners;
- 29          (18)      in Somerset County, Charles County, Wicomico County, and  
30 Worcester County the rate is 6% a year or as fixed by the County Commissioners or by  
31 a law of the County Council;
- 32          (19)      in Talbot County the rate is 6% a year or as fixed by a law of the  
33 County Council; and
- 34          (20)      in Washington County the rate is 6% a year or as fixed by the County  
35 Commissioners.

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

2 "I, ....., Collector of Taxes for the State of Maryland and the ..... of .....,  
 3 certify that on ....., 20...., I sold to ....., at public auction for the sum of .....  
 4 Dollars and ..... Cents, of which ..... Dollars has been paid, the property in .....  
 5 described as ..... and assessed to ..... The property described in this certificate is  
 6 subject to redemption. On redemption the holder of the certificate will be refunded  
 7 the sums paid on account of the purchase price together with interest at the rate of  
 8 6% a year from the date of payment to the date of redemption (except as stated in  
 9 subsection (b) of § 14-820 of the Tax - Property Article of the Annotated Code of  
 10 Maryland), together with all other amounts specified by Chapter 761 of the Acts of  
 11 1943, and acts that amend that chapter. The balance due on account of the purchase  
 12 price and all taxes, together with interest and penalties on the taxes, accruing after  
 13 the date of sale, must be paid to the Collector before a deed can be delivered to the  
 14 purchaser. After ....., 20...., a proceeding can be brought to foreclose all rights of  
 15 redemption in the property. This certificate will be void unless such a proceeding is  
 16 brought within 2 years from the date of this certificate, except that in Baltimore City,  
 17 with respect to any abandoned property SOLD UNDER § 14-817(C) OF THE TAX -  
 18 PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND WITH A MINIMUM BID  
 19 LESS THAN THE LIEN AMOUNT, [consisting of a vacant lot or improved property cited  
 20 as vacant and unfit for habitation on a housing or building violation notice  
 21 outstanding on the date of the tax sale,] the certificate will revert to the Mayor and  
 22 City Council and will be void as to the private purchaser at tax sale unless such a  
 23 proceeding is brought within 3 months from the date of the certificate.

24 Witness my hand and seal, this ..... day of ....., 20.....

25 .....

26 Collector"

27 (To be followed by acknowledgment).

28 14-833.

29 (a) Except as provided in [subsection (e)] SUBSECTIONS (E) AND (F) of this  
 30 section, at any time after 6 months from the date of sale a holder of any certificate of  
 31 sale may file a complaint to foreclose all rights of redemption of the property to which  
 32 the certificate relates.

33 (b) The right to redeem shall continue until finally barred by decree of the  
 34 circuit court in which the foreclosure proceeding is filed.

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

37 (2) In Baltimore City a certificate for abandoned property SOLD UNDER §  
 38 14-817(C) OF THIS SUBTITLE WITH A MINIMUM BID LESS THAN THE LIEN AMOUNT  
 39 reverts to the Mayor and City Council and is void as to the private purchaser at tax  
 40 sale unless:

1 (i) a proceeding to foreclose the right of redemption is filed within  
2 3 months of the date of the certificate of sale; and

3 (ii) unless the holder is granted an extension by the court due to a  
4 showing of extraordinary circumstances beyond the certificate holder's control, the  
5 holder secures a decree from the circuit court in which the foreclosure proceeding was  
6 filed within 18 months from the date of the filing of the foreclosure proceeding.

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

12 (2) If a certificate for abandoned property reverts to the Mayor and City  
13 Council of Baltimore City under this section, the Mayor and City Council may:

14 (i) file a foreclosure proceeding in its own name; or

15 (ii) 1. resell the certificate; and

16 2. apply all money received on account of the sale to any  
17 outstanding balance remaining after the sale on the tax debt owed by the previous  
18 owner of the abandoned property.

19 (e) If any building or structure is sold and purchased under this subtitle, and  
20 the appropriate government agency certifies that the particular building or structure  
21 involved requires, or within 6 months shall require, substantial repairs to comply  
22 with the applicable building code:

23 (1) the holder of any certificate of sale may at any time after 60 days  
24 from the date of sale file a complaint to foreclose all rights of redemption of the  
25 property to which the certificate relates; and

26 (2) the certificate of the appropriate government agency shall be a part  
27 of the complaint to foreclose the rights of redemption.

28 (F) THE HOLDER OF A CERTIFICATE OF SALE FOR ABANDONED PROPERTY IN  
29 BALTIMORE CITY SOLD UNDER § 14-817(C) OF THIS SUBTITLE WITH A MINIMUM BID  
30 LESS THAN THE LIEN AMOUNT MAY FILE A COMPLAINT TO FORECLOSE ALL RIGHTS  
31 OF REDEMPTION IN THE PROPERTY AT ANY TIME AFTER THE DATE OF SALE.

32 14-847.

33 (a) (1) Except as provided in paragraph (2) of this subsection, the judgment  
34 of the court shall direct the collector to execute a deed to the holder of the certificate  
35 of sale in fee simple or in leasehold, as appropriate, on payment to the collector of the  
36 balance of the purchase price, due on account of the purchase price of the property,  
37 together with all taxes and interest and penalties on the property that accrue after  
38 the date of sale. The judgment shall direct the supervisor to enroll the holder of the

1 certificate of sale in fee simple or in leasehold, as appropriate, as the owner of the  
2 property.

3 (2) In Frederick County, if the collector is absent, the deed may be  
4 executed by a deputy collector designated by the collector.

5 (b) The deed shall be prepared by the holder of the certificate of sale or the  
6 attorney for the holder of the certificate of sale and all expenses incident to the  
7 preparation and execution of the deed shall be paid by the holder of the certificate of  
8 sale.

9 (c) The clerk of the court in which the suit is instituted shall issue a certified  
10 copy of the judgment of the court to the collector and supervisor and the collector is  
11 not obligated to execute the deed provided for in this section until that certified copy  
12 of the judgment is delivered to the collector.

13 (d) (1) [Except as provided in paragraph (2) of this subsection, if] IF the  
14 holder of the certificate of sale does not comply with the terms of the final judgment  
15 of the court within 90 days as to payments to the collector of the balance of the  
16 purchase price due on account of the purchase price of the property and of all taxes,  
17 interest, and penalties that accrue after the date of sale, that judgment may be  
18 stricken by the court on the motion of an interested party for good cause shown.

19 (2) In Baltimore City, A CERTIFICATE HOLDER WHO HAS BEEN  
20 ENROLLED AS THE OWNER OF THE PROPERTY UNDER SUBSECTION (A) OF THIS  
21 SECTION IS NOT AN INTERESTED PARTY WITHIN THE MEANING OF THIS  
22 SUBSECTION. [if the holder of the certificate of sale for abandoned property does not  
23 comply with the terms of final judgment of the court as to the payments necessary for  
24 the collector to execute a deed within 30 days, or does not record the deed in land  
25 records within 30 days of the execution of the deed, the final judgment is void.]

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 July 1, 2002.