

SENATE BILL 378

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2002 Regular Session
2r1183
CF 2r1184

By: **Senator McFadden (Baltimore City Administration) and Senators
Blount and Hoffman**

Introduced and read first time: January 29, 2002

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Tax Sales - High-Bid Premium**

3 FOR the purpose of altering the calculation of a certain high-bid premium imposed on
4 the sale of property at certain tax sales; and generally relating to the calculation
5 of the high-bid premium at tax sales.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - Property
8 Section 14-817(b)
9 Annotated Code of Maryland
10 (2001 Replacement Volume and 2001 Supplement)

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

13 **Article - Tax - Property**

14 14-817.

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

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

22 (ii) Except as provided in subparagraph (iii) of this paragraph, the
23 high-bid premium shall be 20% of the amount by which the highest bid exceeds THE
24 GREATER OF:

- 25 1. THE LIEN AMOUNT; OR
26 2. 40% of the property's full cash value.

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

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

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

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

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

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

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

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

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