

**SENATE BILL 378**  
**EMERGENCY BILL**

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Q1

2002 Regular Session  
2lr1183  
CF 2lr1184

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

Introduced and read first time: January 29, 2002  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 21, 2002

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CHAPTER \_\_\_\_\_

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; making this Act an emergency measure;  
5 and generally relating to the calculation 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.

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

- 4 1. THE LIEN AMOUNT; OR  
 5 2. 40% of the property's full cash value.

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

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

- 11 1. determines that a high-bid premium shall be used for the  
 12 tax sale; and  
 13 2. indicates in the public notice of the sale that the high-bid  
 14 premium will be applied.

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

- 17 1. the holder of the tax sale certificate on redemption of the  
 18 property for which the high-bid premium was paid; or  
 19 2. the plaintiff in an action to foreclose the right of  
 20 redemption on delivery of a tax sale deed for the property for which the high-bid  
 21 premium was paid.

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

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

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

