

SENATE BILL 406

Q1
SB 353/07 – B&T

8lr0959

By: **Senator Della**
Introduced and read first time: January 31, 2008
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Notice Prior to Action to Foreclose Right of Redemption**

3 FOR the purpose of providing that an action to foreclose the right of redemption for
4 property sold at a tax sale may not be brought until at least a certain period
5 after a certain notice is provided to certain persons in a certain manner;
6 providing certain exceptions; altering certain fees; providing for the application
7 of this Act; and generally relating to a certain notice requirement relating to
8 property purchased at a tax sale.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 14–833(a) and 14–843
12 Annotated Code of Maryland
13 (2007 Replacement Volume)

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

16 **Article – Tax – Property**

17 14–833.

18 (a) (1) Except as provided in **PARAGRAPH (2) OF THIS SUBSECTION**
19 **AND** subsections (e) and (f) of this section, at any time after 6 months from the date of
20 sale a holder of any certificate of sale may file a complaint to foreclose all rights of
21 redemption of the property to which the certificate relates.

22 (2) (I) 1. **THE HOLDER OF A CERTIFICATE OF SALE MAY**
23 **NOT FILE A COMPLAINT TO FORECLOSE THE RIGHT OF REDEMPTION UNTIL AT**
24 **LEAST 3 MONTHS AFTER PROVIDING NOTICE AS REQUIRED UNDER THIS**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 PARAGRAPH TO THE OWNER OR ANY OTHER PERSON THAT HAS AN ESTATE OR
2 INTEREST IN THE PROPERTY.

3 **2. THE HOLDER OF A CERTIFICATE OF SALE IS NOT**
4 **REQUIRED TO PROVIDE THE NOTICE UNDER THIS PARAGRAPH IF SUBSECTION**
5 **(E) OR (F) OF THIS SECTION APPLIES TO THE PROPERTY.**

6 **(II) THE NOTICE REQUIRED UNDER THIS PARAGRAPH**
7 **SHALL INCLUDE AT LEAST THE FOLLOWING:**

8 **1. A STATEMENT OF THE FACT OF THE ISSUANCE OF**
9 **A CERTIFICATE OF SALE;**

10 **2. A COPY OF THE CERTIFICATE OF SALE;**

11 **3. A STATEMENT THAT THE OWNER OR ANY OTHER**
12 **PERSON THAT HAS AN ESTATE OR INTEREST IN THE PROPERTY MAY REDEEM**
13 **THE PROPERTY AT ANY TIME UNTIL THE RIGHT OF REDEMPTION HAS BEEN**
14 **FINALLY FORECLOSED UNDER THE PROVISIONS OF THIS SUBTITLE;**

15 **4. A STATEMENT THAT THE HOLDER OF THE**
16 **CERTIFICATE OF SALE MAY FILE AN ACTION TO FORECLOSE THE RIGHT OF**
17 **REDEMPTION AT ANY TIME AFTER 3 MONTHS FROM THE DATE OF THE NOTICE;**

18 **5. A STATEMENT THAT IF THE PROPERTY IS**
19 **REDEEMED PRIOR TO AN ACTION TO FORECLOSE THE RIGHT TO REDEMPTION,**
20 **THE AMOUNT THAT SHALL BE PAID TO REDEEM THE PROPERTY IS:**

21 **A. THE TOTAL PRICE PAID AT THE TAX SALE FOR THE**
22 **PROPERTY TOGETHER WITH INTEREST;**

23 **B. ANY TAXES, INTEREST, AND PENALTIES PAID BY**
24 **ANY HOLDER OF THE CERTIFICATE OF SALE;**

25 **C. ANY TAXES, INTEREST, AND PENALTIES ACCRUING**
26 **AFTER THE DATE OF THE CERTIFICATE OF SALE; AND**

27 **D. ANY EXPENSES OR FEES FOR WHICH THE HOLDER**
28 **OF THE CERTIFICATE OF SALE INCURRED IN ANY ACTION OR IN PREPARATION**
29 **FOR AN ACTION TO FORECLOSE THE RIGHT OF REDEMPTION, INCLUDING FEES**
30 **PAID FOR RECORDING THE CERTIFICATE OF SALE AND FOR REASONABLE**
31 **ATTORNEY'S FEES NOT TO EXCEED \$500;**

1 **6. A STATEMENT THAT IF THE PROPERTY IS**
2 **REDEEMED AFTER AN ACTION TO FORECLOSE THE RIGHT OF REDEMPTION HAS**
3 **BEEN FILED, THE AMOUNT THAT SHALL BE PAID TO REDEEM THE PROPERTY IS:**

4 **A. THE TOTAL PRICE PAID AT THE TAX SALE FOR THE**
5 **PROPERTY TOGETHER WITH INTEREST;**

6 **B. ANY TAXES, INTEREST, AND PENALTIES PAID BY**
7 **ANY HOLDER OF THE CERTIFICATE OF SALE;**

8 **C. ANY TAXES, INTEREST, AND PENALTIES ACCRUING**
9 **AFTER THE DATE OF THE CERTIFICATE OF SALE;**

10 **D. EXPENSES INCURRED IN THE PUBLICATION AND**
11 **SERVICE OF PROCESS BY PUBLICATION;**

12 **E. REASONABLE FEES FOR A TITLE SEARCH; AND**

13 **F. REASONABLE ATTORNEY’S FEES NOT TO EXCEED**
14 **\$1,000 INCURRED IN THE FILING OF AN ACTION TO FORECLOSE THE RIGHT OF**
15 **REDEMPTION; AND**

16 **7. THE NAME, MAILING ADDRESS, AND TELEPHONE**
17 **NUMBER OF:**

18 **A. THE CURRENT HOLDER OF THE CERTIFICATE OF**
19 **SALE;**

20 **B. THE COLLECTOR WHO MADE THE SALE; AND**

21 **C. THE ATTORNEY OF THE CURRENT HOLDER OF THE**
22 **CERTIFICATE OF SALE, WHEN APPLICABLE.**

23 **(III) THE NOTICE REQUIRED UNDER THIS PARAGRAPH MAY**
24 **NOT BE GIVEN UNTIL 3 MONTHS AFTER THE DATE OF SALE.**

25 **(IV) IF A CERTIFICATE OF SALE IS ASSIGNED AFTER THE**
26 **NOTICE REQUIRED UNDER THIS PARAGRAPH HAS BEEN SENT, THE ASSIGNEE:**

27 **1. AT ANY TIME AFTER THE ASSIGNMENT, SHALL**
28 **SEND AN ADDITIONAL NOTICE UNDER THIS PARAGRAPH REFLECTING THE NEW**
29 **HOLDER OF THE CERTIFICATE; AND**

1 **2. MAY NOT FILE A COMPLAINT TO FORECLOSE THE**
2 **RIGHT OF REDEMPTION UNTIL AT LEAST 3 MONTHS AFTER THE ADDITIONAL**
3 **NOTICE HAS BEEN SENT.**

4 **(V) THE NOTICE REQUIRED UNDER THIS PARAGRAPH**
5 **SHALL BE SENT BY:**

6 **1. CERTIFIED MAIL, POSTAGE PREPAID, RETURN**
7 **RECEIPT REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES**
8 **POSTAL SERVICE; AND**

9 **2. FIRST-CLASS MAIL.**

10 **(VI) THE NOTICE REQUIRED UNDER THIS PARAGRAPH**
11 **SHALL BE SENT TO EACH PERSON AT THE PERSON'S LAST ADDRESS KNOWN TO**
12 **THE HOLDER OF THE CERTIFICATE, AS OBTAINED FROM:**

13 **1. ANY RECORDS EXAMINED AS PART OF THE TITLE**
14 **EXAMINATION;**

15 **2. THE TAX ROLLS OF THE COLLECTOR WHO MADE**
16 **THE SALE, AS TO THE PROPERTY DESCRIBED IN THE CERTIFICATE OF SALE;**

17 **3. A SEARCH VIA THE INTERNET; AND**

18 **4. ANY OTHER ADDRESS THAT IS KNOWN TO THE**
19 **HOLDER OF THE CERTIFICATE OF SALE.**

20 14-843.

21 (a) Except as provided in subsection (b) of this section, on redemption, **IF**
22 **THE PLAINTIFF OR HOLDER OF THE CERTIFICATE OF SALE IS IN COMPLIANCE**
23 **WITH THE NOTICE REQUIREMENTS IN § 14-833(A)(2) OF THIS SUBTITLE**, the
24 plaintiff or the holder of a certificate of sale is entitled to be reimbursed for expenses
25 incurred in any action or in preparation for any action to foreclose the right of
26 redemption. In addition, the plaintiff or holder of a certificate of sale, on redemption, is
27 entitled to be reimbursed for fees paid for recording the certificate of sale, for
28 reasonable attorney's fees, provided that the fees may not exceed [~~\$400~~] **\$500** unless
29 an action to foreclose the right of redemption has been filed, **IN WHICH CASE**
30 **REASONABLE ATTORNEY'S FEES MAY NOT EXCEED \$1000**, for expenses incurred in
31 the publication and service of process by publication, for reasonable fees for a
32 necessary title search, and for taxes, together with interest and penalties on the taxes,
33 arising after the date of sale that have been paid by the plaintiff, including, in
34 Baltimore City only, taxes, interest, and penalties paid in accordance with subsection
35 (c) of this section and interest at the rate of redemption provided in § 14-820 of this

1 subtitle from the date of payment to the date of redemption. The plaintiff or holder of a
2 certificate of sale is not entitled to be reimbursed for any other expenses.

3 (b) (1) Except as provided in paragraph (2) of this subsection, in Allegany
4 County, Anne Arundel County, Baltimore City, Baltimore County, Calvert County,
5 Caroline County, Carroll County, Cecil County, Charles County, Dorchester County,
6 Frederick County, Garrett County, Harford County, Howard County, Kent County,
7 Prince George's County, Queen Anne's County, St. Mary's County, Somerset County,
8 Washington County, Wicomico County, and Worcester County, the plaintiff or holder
9 of a certificate of sale is not entitled to be reimbursed for expenses incurred within 4
10 months after the date of sale.

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

12 (i) may file a complaint any time after 60 days from the date of
13 sale, pursuant to § 14-833(e) of this subtitle; or

14 (ii) must file a complaint within 3 months from the date of sale,
15 pursuant to § 14-833(c)(2) of this subtitle.

16 (c) In Baltimore City, on or after October 1 of each year, the plaintiff or
17 holder of a certificate of sale may pay taxes, interest, and penalties that become due
18 after the date of the sale on the property described in the tax sale certificate and that
19 have not been paid by the owner of the property.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2008, and shall be applicable to all issued certificates of sale unless an action to
22 foreclose the right of redemption has been filed prior to July 1, 2008.