

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 348

(Senator McFadden)(By Request - Baltimore City
Administration)

Budget and Taxation

Ways and Means

Tax Sales - Fees

This bill alters the types of expenses for which a holder of a certificate of sale may be reimbursed. If an action to foreclose the right of redemption has not been filed, and the property is redeemed more than four months after the date of the tax sale, the holder of a certificate of sale may be reimbursed for costs for recording the certificate of sale, a title search fee up to \$250, and reasonable attorney's fees up to \$500. The bill applies prospectively and does not apply to any tax sale or related proceeding held prior to the bill's effective date.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: The bill does not directly affect State finances or operations.

Local Effect: The bill does not directly affect local finances or operations.

Small Business Effect: None.

Analysis

Current Law: Upon redemption of a certificate of sale, the plaintiff or holder may be reimbursed for expenses incurred in any action, or in preparation of any action, to foreclose the right of redemption. In a majority of counties, a plaintiff or holder of a certificate of sale may not be reimbursed for expenses incurred within four months after the date of sale.

If an action to foreclose the right of redemption has not been filed, and the property is redeemed more than four months after the date of the tax sale, the holder of a certificate of sale may be reimbursed for attorney's fees for recording the certificate of sale, a title search fee up to \$250, and reasonable attorney's fees up to \$500.

Background: Chapters 333 and 334 of 2008 altered the tax sale process and instituted limits on the amount of attorney's fees a holder of a certificate of sale may charge a property owner upon redemption, with the amount varying slightly depending upon whether an affidavit of compliance had been filed.

Under Chapters 333 and 334, if an action to foreclose the right of redemption has not been filed and the property is redeemed more than four months after the date of the tax sale, the holder of a certificate of sale may be reimbursed for attorney's fees for recording the certificate of sale. Previously, the law permitted reimbursement for the "costs" associated with recording the certificate of sale. The bill returns the statute to its previous form.

Additional Information

Prior Introductions: None.

Cross File: HB 169 (Delegate Anderson)(By Request - Baltimore City Administration) - Ways and Means.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 11, 2009
ncs/kdm

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