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By: **Delegate Stukes** Introduced and read first time: February 2, 2012 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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Tax Sales – Payment to Redeem Foreclosed Property

- FOR the purpose of authorizing the holder of a tax sale certificate to be reimbursed for certain postage and mailing expenses that are actually incurred if the property is redeemed before an action to foreclose a right of redemption is filed; requiring a certain notice of foreclosure to include language indicating that certain postage and mailing expenses are expenses included in the amount necessary to redeem the property if the property is redeemed before an action to foreclose a right of redemption is filed; and generally relating to tax sales.
- 10 BY repealing and reenacting, with amendments,
- 11 Article Tax Property
- 12 Section 14–833(a–1)(3) and 14–843(a)(3)
- 13 Annotated Code of Maryland
- 14 (2007 Replacement Volume and 2011 Supplement)
- 15 BY repealing and reenacting, without amendments,
- 16 Article Tax Property
- 17 Section 14–843(a)(1), (2), and (4)
- 18 Annotated Code of Maryland
- 19 (2007 Replacement Volume and 2011 Supplement)
- 20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 21 MARYLAND, That the Laws of Maryland read as follows:
- 22

Article - Tax - Property

23 14-833.

24 (a-1) (3) The notices required under this subsection shall include at least 25 the following:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



1	(i)	a stat	cement of the fact of the issuance of a certificate of sale;
$\frac{2}{3}$	(ii) of sale received the certif		y of the certificate of sale, if the holder of the certificate f sale before the notice was sent under this paragraph;
4 5 6 7	-	e or in	tement that the owner, a mortgage holder, or any other terest in the property may redeem the property at any tion has been finally foreclosed under the provisions of
8 9 10	(iv) an action to foreclose the of the first notice;		tement that the holder of the certificate of sale may file of redemption at any time after 2 months from the date
11 12 13	(v) to foreclose the right of the property is:		tement that if the property is redeemed before an action ption is filed, the amount that shall be paid to redeem
$\begin{array}{c} 14 \\ 15 \end{array}$	sale, with interest;	1.	the total lien amount on the property at the time of
$\frac{16}{17}$	the certificate of sale;	2.	any taxes, interest, and penalties paid by the holder of
$\frac{18}{19}$	date of the tax sale; and	3.	any taxes, interest, and penalties accruing after the
$\begin{array}{c} 20\\ 21 \end{array}$	certificate of sale:	4.	the following expenses incurred by the holder of the
22		A.	costs for recording the certificate of sale;
23		B.	a title search fee, not to exceed \$250; [and]
24 25	ACTUALLY INCURRED I	C. FOR M.	THE POSTAGE AND CERTIFIED MAILING COSTS AILING THE FIRST AND SECOND NOTICES; AND
26		D.	reasonable attorney's fees, not to exceed \$500;
27 28 29	(vi) to foreclose the right of redeem the property is th	redem	tement that if the property is redeemed after an action ption has been filed, the amount that shall be paid to of:
30 31	sale, with interest;	1.	the total lien amount on the property at the time of

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1 2. any taxes, interest, and penalties paid by the holder of $\mathbf{2}$ the certificate of sale: 3 3. any taxes, interest, and penalties accruing after the date of the tax sale: and 4 $\mathbf{5}$ 4. attorney's fees and expenses to which the holder of 6 the certificate of sale may be entitled under § 14–843(a)(4) and (5) of this subtitle; 7 (vii) the provisions of § 14–843(a) of this subtitle, reproduced as 8 they appear in the Code: 9 (viii) a statement that, in Baltimore City only, the holder of the certificate of sale is entitled to taxes, interest, and penalties paid in accordance with § 10 14-843(c) of this subtitle and interest at the rate of redemption under § 14-820 of this 11 subtitle from the date of payment to the date of redemption; and 1213(ix) the name, address, and telephone number of: 141. the holder of the certificate of sale, or the holder's 15agent or attorney; and 2.the collector who made the sale. 16 1714-843. 18 Except as provided in subsection (b) of this section, on redemption, (a)(1)the plaintiff or the holder of a certificate of sale may be reimbursed for expenses 19 20incurred in any action or in preparation for any action to foreclose the right of 21redemption as provided in this section. 22The plaintiff or holder of a certificate of sale is not entitled to be (2)23reimbursed for any other expenses or attorney's fees that are not included in this 24section. 25(3)If an action to foreclose the right of redemption has not been filed, 26and the property is redeemed more than 4 months after the date of the tax sale, the 27holder of a certificate of sale may be reimbursed for the following expenses actually 28incurred: 29(i) costs for recording the certificate of sale; 30 (ii) a title search fee, not to exceed \$250; [and] 31(iii) THE POSTAGE AND **CERTIFIED** MAILING COSTS 32ACTUALLY INCURRED FOR MAILING THE FIRST AND SECOND NOTICES

33 REQUIRED UNDER § 14–833(A–1) OF THIS TITLE; AND

1		(IV)	reasonable attorney's fees, not to exceed \$500.			
$\frac{2}{3}$	(4) If an action to foreclose the right of redemption has been filed, the plaintiff or holder of a certificate of sale may be reimbursed for:					
4		(i)	attorney's fees in the amount of:			
$5\\6\\7$	1. \$1,300 if an affidavit of compliance has not been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption; or					
$8\\9\\10$	2. \$1,500 if an affidavit of compliance has been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption;					
$11 \\ 12 \\ 13$	(ii) in exceptional circumstances, other reasonable attorney's fees incurred and specifically requested by the plaintiff or holder of a certificate of sale and approved by the court, on a case by case basis; and					
$\begin{array}{c} 14\\ 15\\ 16\end{array}$	(iii) if the plaintiff or holder of a certificate of sale provides a signed affidavit attesting to the fact that the expenses were actually incurred, the following expenses actually incurred by the plaintiff or holder of a certificate of sale:					
17 18	which the property	is loca	1. filing fee charged by the circuit court for the county in ated;			
$\begin{array}{c} 19\\ 20 \end{array}$	attempting to serve	e proce	2. service of process fee, including fees incurred ess;			
21			3. a title search fee, not to exceed \$250;			
$\frac{22}{23}$	months after the ir	nitial t	4. if a second title search is conducted more than 6 itle search, a title search update fee, not to exceed \$75;			
$\begin{array}{c} 24 \\ 25 \end{array}$	5. publication fee charged by a newspaper of general circulation in the county in which the property is located;					
26			6. posting fee;			
27			7. postage and certified mail;			
28 29	charged by the gov	ernme	8. substantial repair order fee, not to exceed the fee nt agency issuing the certificate of substantial repair; and			
30 31	conversion of the	proper	9. any court approved expense for stabilization or ty under § 14–830 of this subtitle or in accordance with an			

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- action taken against the property by the county in which the property is located in
 accordance with the applicable building, fire, health, or safety codes.
- 3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 4 July 1, 2012.