

# HOUSE BILL 518

Q1

3lr1653

---

By: **Delegates Stukes, Oaks, and Walker**  
Introduced and read first time: January 30, 2013  
Assigned to: Ways and Means

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Redemption of Property – Payments and Fees**

3 FOR the purpose of requiring a tax collector to receive certain payments in full before  
4 a property sold at a tax sale may be redeemed; prohibiting a tax collector from  
5 issuing a certificate of redemption unless certain payments are received in full;  
6 altering the content of a certain statement that is required to be included in a  
7 certain notice; repealing a requirement that before an action to foreclose the  
8 right of redemption is filed, certain costs required to be paid to redeem a  
9 property sold at a tax sale have to be actually incurred; establishing that, before  
10 an action to foreclose the right of redemption is filed, certain costs required to be  
11 paid to redeem a property sold at a tax sale are reasonable; and generally  
12 relating to tax sales of property.

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – Property  
15 Section 14–828, 14–833(a–1)(3)(v)4., and 14–843(a)(3)  
16 Annotated Code of Maryland  
17 (2012 Replacement Volume)

18 BY repealing and reenacting, without amendments,  
19 Article – Tax – Property  
20 Section 14–843(a)(1), (2), and (4)  
21 Annotated Code of Maryland  
22 (2012 Replacement Volume)

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

25 **Article – Tax – Property**

26 14–828.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) If the property is redeemed, the person redeeming shall pay the  
2 collector:

3 [(1) (I) the total lien amount paid at the tax sale for the property  
4 together with interest;

5 [(2) (II) any taxes, interest, and penalties paid by any holder of the  
6 certificate of sale;

7 [(3) (III) any taxes, interest, and penalties accruing after the date of  
8 the tax sale;

9 [(4) (IV) in the manner and by the terms required by the collector,  
10 any expenses or fees for which the plaintiff or the holder of a certificate of sale is  
11 entitled to reimbursement under § 14–843 of this subtitle; and

12 [(5) (V) for vacant and abandoned property sold under § 14–817 of  
13 this subtitle for a sum less than the amount due, the difference between the price paid  
14 and the unpaid taxes, interest, penalties, and expenses.

15 (2) **A PROPERTY IS NOT REDEEMED UNLESS THE COLLECTOR**  
16 **RECEIVES THE FULL PAYMENTS DUE FOR EACH ITEM UNDER PARAGRAPH (1) OF**  
17 **THIS SUBSECTION.**

18 (3) **A COLLECTOR MAY NOT ISSUE A CERTIFICATE OF**  
19 **REDEMPTION UNLESS THE COLLECTOR RECEIVES THE FULL PAYMENTS DUE**  
20 **FOR EACH ITEM UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

21 (b) The rate of interest on redemption under subsection (a) of this section  
22 shall be set under § 14–820 of this subtitle computed from the date of the tax sale to  
23 the date of the redemption payment.

24 (c) On receipt of the proper amount, the collector shall notify the holder of  
25 the certificate of sale that the property has been redeemed and that on surrender of  
26 the certificate of sale all redemption money excluding taxes received by the collector  
27 will be paid to the holder. For the purposes of this section, the collector is authorized  
28 to conclusively presume that the original purchaser at the tax sale is the holder of the  
29 certificate of sale, unless the collector receives a written notice of an assignment of the  
30 certificate of sale that gives the collector the name and address of the assignee. Upon  
31 request, the collector shall execute and deliver to the person redeeming the property a  
32 certificate of redemption which may be recorded among the land records of the county  
33 in which the land is located, and when recorded shall have the same effect as a release  
34 of a mortgage.

35 14–833.

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

3 (v) a statement that if the property is redeemed before an action  
4 to foreclose the right of redemption is filed, the amount that shall be paid to redeem  
5 the property is:

6 4. the following expenses [incurred by] **OF** the holder of  
7 the certificate of sale:

8 A. costs for recording the certificate of sale;

9 B. a title search fee[, not to exceed] **OF** \$250;

10 C. the postage and certified mailing costs actually  
11 incurred for the notices; and

12 D. [reasonable attorney's fees, not to exceed] \$500 **FOR**  
13 **ATTORNEY'S FEES;**

14 14-843.

15 (a) (1) Except as provided in subsection (b) of this section, on redemption,  
16 the plaintiff or the holder of a certificate of sale may be reimbursed for expenses  
17 incurred in any action or in preparation for any action to foreclose the right of  
18 redemption as provided in this section.

19 (2) The plaintiff or holder of a certificate of sale is not entitled to be  
20 reimbursed for any other expenses or attorney's fees that are not included in this  
21 section.

22 (3) If an action to foreclose the right of redemption has not been filed,  
23 and the property is redeemed more than 4 months after the date of the tax sale, the  
24 holder of a certificate of sale may be reimbursed for the following expenses [actually  
25 incurred]:

26 (i) costs for recording the certificate of sale;

27 (ii) **\$250 FOR** a title search [fee, not to exceed \$250], **WHICH**  
28 **AMOUNT SHALL BE DEEMED REASONABLE;**

29 (iii) the postage and certified mailing costs for the notices  
30 required under § 14-833(a-1) of this title; and

1 (iv) [reasonable attorney's fees, not to exceed] \$500 FOR  
2 ATTORNEY'S FEES, WHICH AMOUNT SHALL BE DEEMED REASONABLE.

3 (4) If an action to foreclose the right of redemption has been filed, the  
4 plaintiff or holder of a certificate of sale may be reimbursed for:

5 (i) attorney's fees in the amount of:

6 1. \$1,300 if an affidavit of compliance has not been filed,  
7 which amount shall be deemed reasonable for both the preparation and filing of the  
8 action to foreclose the right of redemption; or

9 2. \$1,500 if an affidavit of compliance has been filed,  
10 which amount shall be deemed reasonable for both the preparation and filing of the  
11 action to foreclose the right of redemption;

12 (ii) in exceptional circumstances, other reasonable attorney's  
13 fees incurred and specifically requested by the plaintiff or holder of a certificate of sale  
14 and approved by the court, on a case by case basis; and

15 (iii) if the plaintiff or holder of a certificate of sale provides a  
16 signed affidavit attesting to the fact that the expenses were actually incurred, the  
17 following expenses actually incurred by the plaintiff or holder of a certificate of sale:

18 1. filing fee charged by the circuit court for the county in  
19 which the property is located;

20 2. service of process fee, including fees incurred  
21 attempting to serve process;

22 3. a title search fee, not to exceed \$250;

23 4. if a second title search is conducted more than 6  
24 months after the initial title search, a title search update fee, not to exceed \$75;

25 5. publication fee charged by a newspaper of general  
26 circulation in the county in which the property is located;

27 6. posting fee;

28 7. postage and certified mail;

29 8. substantial repair order fee, not to exceed the fee  
30 charged by the government agency issuing the certificate of substantial repair; and

31 9. any court approved expense for stabilization or  
32 conversion of the property under § 14-830 of this subtitle or in accordance with an

1 action taken against the property by the county in which the property is located in  
2 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, 2013.