

SENATE BILL 439

Q1

5lr2307
CF HB 1035

By: **Senator McFadden (By Request – Baltimore City Administration)**

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2015

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City – Tax Sales**

3 FOR the purpose of requiring the tax collector in Baltimore City to withhold
4 certain owner-occupied residential property from a tax sale when the taxes on the
5 property are under a certain amount; exempting a person redeeming certain
6 owner-occupied residential property in Baltimore City from the requirement that
7 the person pay the tax collector any taxes, interest, and penalties accruing after the
8 date of the tax sale; altering the time at which a holder of a certificate of sale may
9 file to foreclose the right of redemption on certain owner-occupied residential
10 property in Baltimore City; altering the time at which a certain notice of intent to
11 foreclose the right of redemption on certain owner-occupied residential property in
12 Baltimore City may be sent; authorizing an owner of certain owner-occupied
13 residential property in Baltimore City to request the holder of a certificate of sale to
14 provide certain information; requiring the request to be sent in a certain manner;
15 requiring the holder of a certificate of sale who receives a certain request to provide
16 in a certain manner certain information within a certain number of days; prohibiting
17 a holder of a certificate of sale who receives a certain request from filing a complaint
18 to foreclose the right of redemption on certain owner-occupied residential property
19 in Baltimore City until a certain amount of time has passed; providing that a certain
20 payoff amount provided by the holder of a certificate of sale for owner-occupied
21 residential property in Baltimore City shall be deemed valid for a certain period of
22 time; prohibiting the application of certain restrictions on the filing of a complaint to
23 foreclose the right of redemption for certain owner-occupied residential property in
24 Baltimore City under certain circumstances; altering the amount of time that has to
25 pass before a holder of a certificate of sale of certain owner-occupied residential

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 property in Baltimore City may be reimbursed for certain expenses when the
 2 property is redeemed; prohibiting a plaintiff or holder of a certificate of sale of certain
 3 owner-occupied residential property in Baltimore City from being reimbursed for
 4 certain expenses incurred before a certain period of time has passed; authorizing the
 5 Mayor and City Council of Baltimore City to establish, by law, a process to make
 6 property redemption payments for certain owner-occupied residential properties by
 7 installment; requiring a court to include certain information in a final order in an
 8 action to foreclose the right of redemption of certain owner-occupied residential
 9 property in Baltimore City; ~~altering the amount of a lien for unpaid water and sewer~~
 10 ~~service which would authorize Baltimore City to sell the property at a tax sale;~~
 11 authorizing Baltimore City to sell certain owner-occupied residential property at a
 12 tax sale for a certain lien for unpaid water and sewer service under certain
 13 circumstances; defining a certain term; providing for the application of this Act;
 14 making conforming changes; and generally relating to tax sales of certain
 15 owner-occupied residential property in Baltimore City.

16 BY repealing and reenacting, with amendments,

17 Article – Tax – Property

18 Section 14-801, 14-811, 14-828(a), 14-833, 14-843, 14-844, and 14-849.1

19 Annotated Code of Maryland

20 (2012 Replacement Volume and 2014 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

22 That the Laws of Maryland read as follows:

23 **Article – Tax – Property**

24 14-801.

25 (a) In §§ 14-801 through 14-854 of this subtitle, the following words have the
 26 meanings indicated.

27 (b) “Other taxing agency” means any municipal corporation or other public or
 28 quasi-public corporation that may impose a tax of any kind which is or may become a lien
 29 on real property.

30 (c) **“OWNER-OCCUPIED RESIDENTIAL PROPERTY” MEANS, WITH RESPECT**
 31 **TO A PROPERTY LOCATED IN BALTIMORE CITY, THE PRINCIPAL RESIDENCE OF A**
 32 **HOMEOWNER AS DEFINED IN § 9-105(A)(7) OF THIS ARTICLE.**

33 (D) (1) “Tax” means any tax, or charge of any kind due to the State or any of
 34 its political subdivisions, or to any other taxing agency, that by law is a lien against the
 35 real property on which it is imposed or assessed.

36 (2) “Tax” includes interest, penalties, and service charges.

37 14-811.

1 (A) [The] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE
 2 collector may withhold from sale any property, when the total taxes on the property,
 3 including interest and penalties, amount to less than \$250 in any 1 year.

4 (B) IN BALTIMORE CITY, THE COLLECTOR SHALL WITHHOLD FROM SALE
 5 ~~ANY OWNER-OCCUPIED RESIDENTIAL~~ PROPERTY, WHEN THE TOTAL TAXES ON THE
 6 PROPERTY, INCLUDING INTEREST AND PENALTIES, AMOUNT TO LESS THAN ~~\$500~~
 7 \$750.

8 14-828.

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

10 (1) the total lien amount paid at the tax sale for the property together with
 11 interest;

12 (2) any taxes, interest, and penalties paid by any holder of the certificate
 13 of sale;

14 (3) EXCEPT FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY IN
 15 BALTIMORE CITY, any taxes, interest, and penalties accruing after the date of the tax
 16 sale;

17 (4) in the manner and by the terms required by the collector, any expenses
 18 or fees for which the plaintiff or the holder of a certificate of sale is entitled to
 19 reimbursement under § 14-843 of this subtitle; and

20 (5) for vacant and abandoned property sold under § 14-817 of this subtitle
 21 for a sum less than the amount due, the difference between the price paid and the unpaid
 22 taxes, interest, penalties, and expenses.

23 14-833.

24 (a) (1) Except as provided in PARAGRAPH (2) OF THIS SUBSECTION AND
 25 subsections [(a-1), (e), (f), and (g)] (A-1) AND (E) of this section, at any time after 6 months
 26 from the date of sale a holder of any certificate of sale may file a complaint to foreclose all
 27 rights of redemption of the property to which the certificate relates.

28 (2) EXCEPT AS PROVIDED IN SUBSECTIONS (A-1), (E), (F), AND (G) OF
 29 THIS SECTION, AT ANY TIME AFTER ~~12~~ 9 MONTHS FROM THE DATE OF SALE OF
 30 OWNER-OCCUPIED RESIDENTIAL PROPERTY LOCATED IN BALTIMORE CITY, A
 31 HOLDER OF ANY CERTIFICATE OF SALE MAY FILE A COMPLAINT TO FORECLOSE ALL
 32 RIGHTS OF REDEMPTION OF THE PROPERTY TO WHICH THE CERTIFICATE RELATES.

1 (a-1) (1) The holder of a certificate of sale may not file a complaint to foreclose
2 the right of redemption until at least 2 months after sending the first notice and at least 30
3 days after sending the second notice required under this subsection to:

4 (i) the person who last appears as owner of the property on the
5 collector's tax roll; and

6 (ii) 1. the current mortgagee of the property, assignee of a
7 mortgagee of record, or servicer of the current mortgage; or

8 2. the current holder of a beneficial interest in a deed of trust
9 recorded against the property.

10 (2) The holder of a certificate of sale is not required to provide the notices
11 under this subsection if subsection (e), (f), or (g) of this section applies to the property.

12 (3) The notices required under this subsection shall include at least the
13 following:

14 (i) a statement of the fact of the issuance of a certificate of sale;

15 (ii) a copy of the certificate of sale, if the holder of the certificate of
16 sale received the certificate of sale before the notice was sent under this paragraph;

17 (iii) a statement that the owner, a mortgage holder, or any other
18 person that has an estate or interest in the property may redeem the property at any time
19 until the right of redemption has been finally foreclosed under the provisions of this
20 subtitle;

21 (iv) a statement that the holder of the certificate of sale may file an
22 action to foreclose the right of redemption at any time after 2 months from the date of the
23 first notice;

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

27 1. the total lien amount on the property at the time of sale,
28 with interest;

29 2. any taxes, interest, and penalties paid by the holder of the
30 certificate of sale;

31 3. any taxes, interest, and penalties accruing after the date
32 of the tax sale; and

1 4. the following expenses incurred by the holder of the
2 certificate of sale:

3 A. costs for recording the certificate of sale;

4 B. a title search fee, not to exceed \$250;

5 C. the postage and certified mailing costs actually incurred
6 for the notices; and

7 D. reasonable attorney's fees, not to exceed \$500;

8 (vi) a statement that if the property is redeemed after an action to
9 foreclose the right of redemption has been filed, the amount that shall be paid to redeem
10 the property is the sum of:

11 1. the total lien amount on the property at the time of sale,
12 with interest;

13 2. any taxes, interest, and penalties paid by the holder of the
14 certificate of sale;

15 3. any taxes, interest, and penalties accruing after the date
16 of the tax sale; and

17 4. attorney's fees and expenses to which the holder of the
18 certificate of sale may be entitled under § 14-843(a)(4) and (5) of this subtitle;

19 (vii) the provisions of § 14-843(a) of this subtitle, reproduced as they
20 appear in the Code;

21 (viii) a statement that, in Baltimore City only, the holder of the
22 certificate of sale is entitled to taxes, interest, and penalties paid in accordance with §
23 14-843(c) of this subtitle and interest at the rate of redemption under § 14-820 of this
24 subtitle from the date of payment to the date of redemption; and

25 (ix) the name, address, and telephone number of:

26 1. the holder of the certificate of sale, or the holder's agent or
27 attorney; and

28 2. the collector who made the sale.

29 (4) (i) 1. [The] **EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2**
30 **OF THIS SUBPARAGRAPH, THE** first of the two notices required under this subsection may
31 not be sent until 4 months after the date of sale.

1 **2. IN BALTIMORE CITY, FOR OWNER-OCCUPIED**
 2 **RESIDENTIAL PROPERTY, THE FIRST OF THE TWO NOTICES REQUIRED UNDER THIS**
 3 **SUBSECTION MAY NOT BE SENT UNTIL ~~10~~ 7 MONTHS AFTER THE DATE OF SALE.**

4 (ii) The second of the two notices required under this section shall be
 5 sent:

6 1. to the persons listed in paragraph (1) of this subsection;
 7 and

8 2. no earlier than 1 week after the first notice required under
 9 this subsection is sent.

10 (5) (I) If a certificate of sale is assigned after the first notice required
 11 under this subsection is sent and before an action to foreclose the right of redemption is
 12 filed, the assignee:

13 [(i)] 1. at any time after the assignment, shall send one additional
 14 notice under this subsection reflecting the new holder of the certificate; and

15 [(ii)] 2. may not file a complaint to foreclose the right of
 16 redemption until at least 2 months after the additional notice has been sent.

17 (II) 1. **IN BALTIMORE CITY, FOR OWNER-OCCUPIED**
 18 **RESIDENTIAL PROPERTY, PRIOR TO THE FILING OF A COMPLAINT TO FORECLOSE**
 19 **THE RIGHT OF REDEMPTION, AN OWNER OF PROPERTY SOLD UNDER THIS SUBTITLE**
 20 **MAY SEND A REQUEST FOR THE CURRENT PAYOFF AMOUNT TO REDEEM THE**
 21 **PROPERTY.**

22 2. **A REQUEST MADE UNDER SUBSUBPARAGRAPH 1 OF**
 23 **THIS SUBPARAGRAPH SHALL BE SENT TO THE HOLDER OF THE CERTIFICATE OF**
 24 **SALE BY FIRST-CLASS CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT**
 25 **REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL SERVICE.**

26 3. **WITHIN 10 DAYS OF DELIVERY OF A NOTICE SENT**
 27 **UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE HOLDER OF A**
 28 **CERTIFICATE OF SALE SHALL SEND THE OWNER OF THE PROPERTY, BY FIRST-CLASS**
 29 **CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, BEARING A**
 30 **POSTMARK FROM THE UNITED STATES POSTAL SERVICE, THE CURRENT PAYOFF**
 31 **AMOUNT TO REDEEM THE PROPERTY, AS OF THE DATE THE REQUEST WAS MADE.**

32 4. **A EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 6 OF**
 33 **THIS SUBPARAGRAPH, A HOLDER OF A CERTIFICATE OF SALE WHO RECEIVES A**
 34 **REQUEST FOR A CURRENT PAYOFF AMOUNT TO REDEEM PROPERTY UNDER THIS**

1 SUBPARAGRAPH MAY NOT FILE A COMPLAINT TO FORECLOSE THE RIGHT OF
2 REDEMPTION UNTIL THE LATER OF:

3 **A. 20 DAYS AFTER THE REQUEST UNDER**
4 **SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH IS ~~SENT~~ RECEIVED BY THE HOLDER**
5 **OF THE CERTIFICATE OF SALE;**

6 **B. 10 DAYS AFTER THE HOLDER OF THE CERTIFICATE OF**
7 **SALE SENDS THE OWNER OF THE PROPERTY THE CURRENT PAYOFF AMOUNT TO**
8 **REDEEM THE PROPERTY; OR**

9 **C. THE DATE ON WHICH A HOLDER OF THE CERTIFICATE**
10 **OF SALE MAY FILE A COMPLAINT TO FORECLOSE THE RIGHT OF REDEMPTION UNDER**
11 **PARAGRAPHS (1) AND (4) OF THIS SUBSECTION.**

12 **5. THE PAYOFF AMOUNT TO REDEEM THE PROPERTY**
13 **PROVIDED BY THE HOLDER OF THE CERTIFICATE OF SALE IN ACCORDANCE WITH**
14 **SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH SHALL BE DEEMED VALID FOR A**
15 **PERIOD OF 30 DAYS FROM THE DATE THE HOLDER OF THE CERTIFICATE OF SALE**
16 **SENDS THE OWNER OF THE PROPERTY THE PAYOFF AMOUNT.**

17 **6. IF THE OWNER OF PROPERTY SENDS MORE THAN 2**
18 **REQUESTS UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, THE**
19 **RESTRICTIONS ON FILING A COMPLAINT TO FORECLOSE THE RIGHT OF**
20 **REDEMPTION MAY NOT APPLY TO A THIRD OR SUBSEQUENT REQUEST.**

21 (6) (i) The first of the two notices required under this subsection shall
22 be sent:

23 1. by first-class certified mail, postage prepaid, return
24 receipt requested, bearing a postmark from the United States Postal Service; and

25 2. in an envelope prominently marked on the outside with
26 the following phrase "Notice of Delinquent Property Tax".

27 (ii) The second of the two notices required under this subsection
28 shall be sent:

29 1. by first-class certified mail, postage prepaid, return
30 receipt requested, bearing a postmark from the United States Postal Service; and

31 2. in an envelope prominently marked on the outside with
32 the following phrase "Notice of Delinquent Property Tax".

1 (7) The notice required under this subsection shall be sent to each person
2 at the person's last address known to the holder of the certificate of sale, as obtained from:

3 (i) the last deed or mortgage relating to the property recorded
4 among the land records in the county in which the property is located;

5 (ii) the tax rolls of the collector who made the sale, as to the property
6 described in the certificate of sale; and

7 (iii) with respect to the address of the resident agent and the
8 principal office of the current mortgagee of record, the Department of Assessments and
9 Taxation.

10 (8) In a proceeding to foreclose the right of redemption, if the holder of a
11 certificate of sale, the holder's agent, or the attorney of the holder of a certificate of sale,
12 files an affidavit, before the court enters a final judgment foreclosing the right of
13 redemption, attesting to the fact that the affiant has complied with the notice provisions of
14 this subsection and provides evidence that the second of the two notices required under this
15 subsection was sent by certified mail as required under paragraph (6)(ii) of this subsection,
16 then:

17 (i) the notice provisions of this subsection shall be deemed satisfied;
18 and

19 (ii) the failure of the owner, mortgagee, or beneficiary of a deed of
20 trust to receive the required notice does not invalidate the proceeding to foreclose the right
21 of redemption or the final judgment of the court.

22 (b) The right to redeem shall continue until finally barred by decree of the circuit
23 court in which the foreclosure proceeding is filed.

24 (c) (1) The certificate is void unless a proceeding to foreclose the right of
25 redemption is filed within 2 years of the date of the certificate of sale.

26 (2) In Baltimore City a certificate for abandoned property sold under §
27 14-817(c) of this subtitle with a minimum bid less than the lien amount reverts to the
28 Mayor and City Council and is void as to the private purchaser at tax sale unless:

29 (i) a proceeding to foreclose the right of redemption is filed within 3
30 months of the date of the certificate of sale; and

31 (ii) unless the holder is granted an extension by the court due to a
32 showing of extraordinary circumstances beyond the certificate holder's control, the holder
33 secures a decree from the circuit court in which the foreclosure proceeding was filed within
34 18 months from the date of the filing of the foreclosure proceeding.

1 (d) (1) If a certificate is void under subsection (c) of this section, then any right,
2 title, and interest of the holder of the certificate of sale, in the property sold shall cease and
3 all money received by the collector on account of the sale shall be deemed forfeited, and
4 shall be applied by the collector on the taxes in arrears on the property.

5 (2) If a certificate for abandoned property reverts to the Mayor and City
6 Council of Baltimore City under this section, the Mayor and City Council may:

7 (i) file a foreclosure proceeding in its own name; or

8 (ii) 1. resell the certificate; and

9 2. apply all money received on account of the sale to any
10 outstanding balance remaining after the sale on the tax debt owed by the previous owner
11 of the abandoned property.

12 (e) If any building or structure is sold and purchased under this subtitle, and the
13 appropriate government agency certifies that the particular building or structure involved
14 requires, or within 6 months shall require, substantial repairs to comply with the applicable
15 building code:

16 (1) the holder of any certificate of sale may at any time after 60 days from
17 the date of sale file a complaint to foreclose all rights of redemption of the property to which
18 the certificate relates; and

19 (2) the certificate of the appropriate government agency shall be a part of
20 the complaint to foreclose the rights of redemption.

21 (f) The holder of a certificate of sale for abandoned property in Baltimore City
22 sold under § 14–817(c) of this subtitle with a minimum bid less than the lien amount may
23 file a complaint to foreclose all rights of redemption in the property at any time after the
24 date of sale.

25 (g) When the Mayor and City Council of Baltimore City becomes the holder of a
26 certificate of sale purchased in accordance with § 14–824 of this subtitle, the Mayor and
27 City Council of Baltimore City may file a complaint, at any time after the date of sale, to
28 foreclose all rights of redemption in abandoned property consisting of:

29 (1) a vacant lot; or

30 (2) improved property cited as vacant and unfit for habitation on a housing
31 or building violation notice.

32 14–843.

33 (a) (1) Except as provided in subsection (b) of this section, on redemption, the
34 plaintiff or the holder of a certificate of sale may be reimbursed for expenses incurred in

1 any action or in preparation for any action to foreclose the right of redemption as provided
2 in this section.

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

5 (3) (I) **[If] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
6 **PARAGRAPH, IF** an action to foreclose the right of redemption has not been filed, and the
7 property is redeemed more than 4 months after the date of the tax sale, the holder of a
8 certificate of sale may be reimbursed for the following expenses actually incurred:

9 [(i)] 1. costs for recording the certificate of sale;

10 [(ii)] 2. a title search fee, not to exceed \$250;

11 [(iii)] 3. the postage and certified mailing costs for the notices
12 required under § 14-833(a-1) of this title; and

13 [(iv)] 4. reasonable attorney's fees, not to exceed \$500.

14 (II) **IN BALTIMORE CITY, FOR OWNER-OCCUPIED RESIDENTIAL**
15 **PROPERTY, IF AN ACTION TO FORECLOSE THE RIGHT OF REDEMPTION HAS NOT**
16 **BEEN FILED, AND THE PROPERTY IS REDEEMED MORE THAN ~~10~~ 7 MONTHS AFTER**
17 **THE DATE OF THE TAX SALE, THE HOLDER OF A CERTIFICATE OF SALE MAY BE**
18 **REIMBURSED FOR THE FOLLOWING EXPENSES ACTUALLY INCURRED:**

19 1. **COSTS FOR RECORDING THE CERTIFICATE OF SALE;**

20 2. **A TITLE SEARCH FEE, NOT TO EXCEED \$250;**

21 3. **THE POSTAGE AND CERTIFIED MAILING COSTS FOR**
22 **THE NOTICES REQUIRED UNDER § 14-833(A-1) OF THIS SUBTITLE; AND**

23 4. **REASONABLE ATTORNEY'S FEES, NOT TO EXCEED**
24 **\$500.**

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

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

28 1. \$1,300 if an affidavit of compliance has not been filed,
29 which amount shall be deemed reasonable for both the preparation and filing of the action
30 to foreclose the right of redemption; or

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

4 (ii) reasonable attorney's fees, not to exceed \$1,200, incurred by the
5 plaintiff or holder of a certificate of sale for opening an estate for purposes of service of
6 process and notice on a defendant's estate;

7 (iii) in exceptional circumstances, other reasonable attorney's fees
8 incurred and specifically requested by the plaintiff or holder of a certificate of sale and
9 approved by the court, on a case by case basis; and

10 (iv) if the plaintiff or holder of a certificate of sale provides a signed
11 affidavit attesting to the fact that the expenses were actually incurred, the following
12 expenses actually incurred by the plaintiff or holder of a certificate of sale:

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

15 2. service of process fee, including fees incurred attempting
16 to serve process;

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

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

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

22 6. posting fee;

23 7. postage and certified mail;

24 8. substantial repair order fee, not to exceed the fee charged
25 by the government agency issuing the certificate of substantial repair;

26 9. expenses and costs incurred for opening an estate of a
27 deceased defendant for purposes of service of process and notice, not to exceed \$1,200; and

28 10. any court approved expense for stabilization or conversion
29 of the property under § 14-830 of this subtitle or in accordance with an action taken against
30 the property by the county in which the property is located in accordance with the
31 applicable building, fire, health, or safety codes.

32 (5) In addition to the expenses and attorney's fees under paragraph (3) or
33 (4) of this subsection, the plaintiff or holder of a certificate of sale may be reimbursed for:

1 (i) taxes paid at the tax sale, together with redemption interest,
2 arising after the date of sale to the date of redemption;

3 (ii) the high bid premium paid at the tax sale, if applicable; and

4 (iii) in Baltimore City only, taxes, interest, and penalties paid in
5 accordance with subsection (c) of this section and interest at the rate of redemption
6 provided in § 14–820 of this subtitle from the date of payment to the date of redemption.

7 (b) (1) **(I)** Except as provided in **SUBPARAGRAPH (II) OF THIS**
8 **PARAGRAPH AND** paragraph (2) of this subsection, in Allegany County, Anne Arundel
9 County, ~~¶~~Baltimore City,~~¶~~ Baltimore County, Calvert County, Caroline County, Carroll
10 County, Cecil County, Charles County, Dorchester County, Frederick County, Garrett
11 County, Harford County, Howard County, Kent County, Montgomery County, Prince
12 George’s County, Queen Anne’s County, St. Mary’s County, Somerset County, Washington
13 County, Wicomico County, and Worcester County, the plaintiff or holder of a certificate of
14 sale may not be reimbursed for expenses incurred within 4 months after the date of sale.

15 **(II) IN BALTIMORE CITY, FOR OWNER–OCCUPIED RESIDENTIAL**
16 **PROPERTY, THE PLAINTIFF OR HOLDER OF A CERTIFICATE OF SALE MAY NOT BE**
17 **REIMBURSED FOR EXPENSES INCURRED WITHIN ~~10~~ 7 MONTHS AFTER THE DATE OF**
18 **SALE.**

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

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

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

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

28 **(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY ESTABLISH,**
29 **BY LAW, A PROCESS BY WHICH AN OWNER OF OWNER–OCCUPIED RESIDENTIAL**
30 **PROPERTY SOLD AT TAX SALE IN ACCORDANCE WITH THIS SUBTITLE MAY REDEEM**
31 **THE PROPERTY THROUGH AN INSTALLMENT PAYMENT PLAN.**

32 14–844.

33 (a) After the time limit set in the order of publication and in the summons expires,
34 the court shall enter judgment foreclosing the right of redemption. An interlocutory order

1 is not necessary. The judgment is final and conclusive on the defendants, their heirs,
 2 devisees, and personal representatives and they or any of their heirs, devisees, executors,
 3 administrators, assigns, or successors in right, title, or interest, and all defendants are
 4 bound by the judgment as if they had been named in the proceedings and personally served
 5 with process.

6 (b) If the court finds for the plaintiff, the judgment vests in the plaintiff an
 7 absolute and indefeasible title in fee simple in the property, free and clear of all alienations
 8 and descents of the property occurring before the date of the judgment and encumbrances
 9 on the property, except taxes that accrue after the date of sale and easements of record and
 10 any other easement that may be observed by an inspection of the property to which the
 11 property is subject.

12 (c) If the collector sold the property subject to a ground rent or the plaintiff elected
 13 not to include the ground rent holder as a party, the judgment vests a leasehold interest in
 14 the plaintiff.

15 (d) Once a judgment is granted, the plaintiff immediately becomes liable for the
 16 payment of all taxes due and payable after the judgment. The plaintiff may be sued in an
 17 action under § 14–864 of this subtitle to collect all taxes due and payable after the judgment
 18 and it is not a defense that a deed to the property has not been recorded. On the entry of
 19 judgment, the plaintiff shall pay the collector any surplus bid and all taxes together with
 20 interest and penalties on the taxes due on the property.

21 (e) In Baltimore City where abandoned property has been sold for a sum less than
 22 the amount due under § 14–817 of this subtitle, in a foreclosure proceeding brought by the
 23 Mayor and City Council, the final order may include a judgment in favor of the city and
 24 against the person liable for taxes prior to the sale, in the amount of the unpaid taxes,
 25 interest, penalties, and expenses otherwise due in a tax sale.

26 **(F) IN BALTIMORE CITY, FOR A PROCEEDING CONCERNING AN**
 27 **OWNER–OCCUPIED RESIDENTIAL PROPERTY, IF THE COURT FINDS FOR THE**
 28 **PLAINTIFF, THE FINAL JUDGMENT SHALL STATE WHETHER THERE IS A BID BALANCE**
 29 **AS A RESULT OF THE TAX SALE AND THAT THE FORMER OWNER’S PORTION OF THE**
 30 **BID BALANCE MAY BE OBTAINED BY CONTACTING THE BALTIMORE CITY BUREAU OF**
 31 **REVENUE COLLECTIONS.**

32 14–849.1.

33 (a) In Baltimore City, the Mayor and City Council may not sell a property solely
 34 to enforce a lien for unpaid charges for water and sewer service unless:

35 (1) **(I) FOR A PROPERTY OTHER THAN OWNER–OCCUPIED**
 36 **RESIDENTIAL PROPERTY,** the lien is for at least ~~1~~\$350~~1~~ **\$500; OR**

1 (II) FOR AN OWNER-OCCUPIED RESIDENTIAL PROPERTY, THE
 2 LIEN IS FOR AT LEAST \$750; and

3 (2) the unpaid charges for water and sewer service are at least 3 quarters
 4 in arrears.

5 (b) (1) Notwithstanding subsection ~~(a)~~ (A)(1)(I) of this section, the Mayor and
 6 City Council may enforce a lien on a property OTHER THAN OWNER-OCCUPIED
 7 RESIDENTIAL PROPERTY for unpaid water and sewer service that is less than ~~†\$350†~~
 8 ~~\$500~~ if the property is being sold to enforce another lien.

9 (2) NOTWITHSTANDING SUBSECTION (A)(1)(II) OF THIS SECTION, THE
 10 MAYOR AND CITY COUNCIL MAY ENFORCE A LIEN ON OWNER-OCCUPIED
 11 RESIDENTIAL PROPERTY FOR UNPAID WATER AND SEWER SERVICE THAT IS LESS
 12 THAN \$750 IF THE PROPERTY IS BEING SOLD TO ENFORCE ANOTHER LIEN.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
 14 apply only prospectively and may not be applied or interpreted to have any effect on or
 15 application to any tax sale certificate issued before the effective date of this Act.

16 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 17 July 1, 2015.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.