

# SENATE BILL 951

Q1

(8lr2247)

## ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senators Eckardt and Ferguson**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

### 2 **Tax Sales – Vacant and Abandoned Property**

3 FOR the purpose of authorizing the governing body of a county or municipal corporation to  
4 release liens for unpaid real property taxes or other charges and assessments to  
5 facilitate a transfer of real property if certain conditions are satisfied; authorizing  
6 the governing body of a county or municipal corporation to ~~direct the tax collector to~~  
7 withhold certain real property from tax sale under certain circumstances; ~~requiring~~  
8 ~~a county to adopt objective criteria for designating certain property to be withheld~~  
9 ~~from tax sale~~; authorizing the governing body of a county or municipal corporation  
10 to sell certain abandoned property at tax sale for less than the total amount of certain  
11 taxes, interest and penalties, and expenses; authorizing the governing body of a  
12 county or municipal corporation to request a certain judgment in a proceeding to  
13 foreclose the right of redemption; authorizing the governing body of a county or  
14 municipal corporation to institute an action to collect a certain balance of unpaid  
15 taxes within a certain number of years after the tax sale; authorizing the governing

#### 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.

*Italics indicate opposite chamber / conference committee amendments.*



body of a county or municipal corporation to immediately file a complaint to foreclose the right of redemption on certain abandoned property that the county or municipal corporation is required to purchase; making conforming changes; and generally relating to tax sales of vacant and abandoned property.

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 14–806, 14–811, 14–817(c), 14–824, and 14–833(c)(2), (f), and (g)

Annotated Code of Maryland

(2012 Replacement Volume and 2017 Supplement)

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

### Article – Tax – Property

14–806.

(a) ~~¶~~In this section, “Board” means the Board of Estimates of Baltimore City.

(b)~~¶~~ (1) To facilitate a transfer of real property [the Board] **THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION OR, IN BALTIMORE CITY, THE BOARD** may release any liens for unpaid [city] real property taxes or other charges and assessments imposed [by the Mayor and City Council of Baltimore City] **BY THE COUNTY OR MUNICIPAL CORPORATION** to which the property would otherwise be subject, if:

(i) the total amount of liens for unpaid [city] real property taxes, charges, and assessments imposed with respect to the property exceeds the lesser of the total value of the land and any improvement on the land as last determined by the Department or as determined by an appraisal report prepared not more than 6 months before the request for the release of the lien, by a real estate appraiser who is licensed under Title 16 of the Business Occupations and Professions Article;

(ii) the [Baltimore City Department of Housing and Community Development] ~~LOCAL HOUSING AUTHORITY~~ **COUNTY OR MUNICIPAL CORPORATION OR, IN BALTIMORE CITY, THE BALTIMORE CITY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** certifies that the property:

1. is a vacant lot; or
2. has a building or structure that is:
  - A. vacant; and
  - B. unsafe or unfit for habitation;

1 (iii) the potential transferee demonstrates the ability to return the  
2 property to productive use within a reasonable period of time;

3 (iv) the [Board] GOVERNING BODY OF ~~A~~ THE COUNTY OR  
4 MUNICIPAL CORPORATION OR, IN BALTIMORE CITY, THE BOARD finds that a transfer  
5 under this section is necessary:

6 1. to eliminate a blighting influence; and

7 2. to prevent the tax abandonment of a property; and

8 (v) the potential transferee presents evidence to the [Board]  
9 GOVERNING BODY OF ~~A~~ THE COUNTY OR MUNICIPAL CORPORATION OR, IN  
10 BALTIMORE CITY, THE BOARD that fair market value is being paid.

11 (2) [The Board] A GOVERNING BODY OF A COUNTY OR MUNICIPAL  
12 CORPORATION OR, IN BALTIMORE CITY, THE BOARD may waive the requirement in  
13 paragraph (1)(v) of this subsection if:

14 (i) the potential transferee is a nonprofit organization as defined in  
15 § 1–101 of the Housing and Community Development Article; and

16 (ii) the [Mayor and the City Council] COUNTY OR MUNICIPAL  
17 CORPORATION receives from the transferor an amount equal to any federal, State, or local  
18 income tax benefit realized by the transferor as a result of a deduction from income for a  
19 charitable contribution of the property to a nonprofit organization.

20 (3) If the conditions in paragraph (2) of this subsection are met, the  
21 transferor's property tax debt shall be reduced by an amount equal to the fair market value  
22 of the transferred property.

23 ~~[(c)] (B)~~ The release of a lien for [city] real property taxes, charges, or  
24 assessments as authorized under subsection ~~[(b)] (A)~~ of this section does not abate the  
25 transferor's liability for the remaining amount of the tax debt.

26 ~~[(d)] (C)~~ [The Board] ~~A~~ THE GOVERNING BODY OF A COUNTY OR MUNICIPAL  
27 CORPORATION OR, IN BALTIMORE CITY, THE BOARD may set additional standards and  
28 requirements for approval of the release of liens under this section.

29 14–811.

30 (a) Except as provided in subsection (b) of this section, the collector may withhold  
31 from sale any property, when the total taxes on the property, including interest and  
32 penalties, amount to less than \$250 in any 1 year.

1 (b) In Baltimore City, the collector shall withhold from sale owner-occupied  
 2 residential property, when the total taxes on the property, including interest and penalties,  
 3 amount to less than \$750.

4 ~~(c) (1) AT THE DIRECTION OF THE THE GOVERNING BODY OF A COUNTY~~  
 5 ~~OR MUNICIPAL CORPORATION, THE COLLECTOR SHALL MAY WITHHOLD FROM SALE~~  
 6 ~~PROPERTY THAT HAS BEEN DESIGNATED FOR REDEVELOPMENT PURPOSES.~~

7 (C) THE EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, THE  
 8 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY WITHHOLD FROM  
 9 SALE PROPERTY THAT HAS BEEN DESIGNATED FOR REDEVELOPMENT PURPOSES IF:

10 (1) THE COUNTY OR MUNICIPAL CORPORATION CERTIFIES THAT THE  
 11 PROPERTY:

12 (I) IS A VACANT LOT; OR

13 (II) HAS A BUILDING OR STRUCTURE THAT IS:

14 A. VACANT; AND

15 B. UNSAFE OR UNFIT FOR HABITATION;

16 (2) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL  
 17 CORPORATION FINDS THAT WITHHOLDING THE PROPERTY FROM SALE UNDER THIS  
 18 SUBSECTION IS NECESSARY:

19 (I) TO ELIMINATE A BLIGHTING INFLUENCE; AND

20 (II) TO PREVENT THE TAX ABANDONMENT OF THE PROPERTY;

21 AND

22 (3) THE PROPERTY MEETS ANY ADDITIONAL OBJECTIVE CRITERIA  
 23 ESTABLISHED BY THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL  
 24 CORPORATION FOR WITHHOLDING PROPERTY FROM SALE FOR REDEVELOPMENT  
 25 PURPOSES.

26 (D) BALTIMORE CITY MAY WITHHOLD FROM SALE PROPERTY THAT HAS  
 27 BEEN DESIGNATED FOR REDEVELOPMENT PURPOSES IF THE PROPERTY MEETS  
 28 OBJECTIVE CRITERIA ESTABLISHED BY THE MAYOR AND CITY COUNCIL OF  
 29 BALTIMORE CITY.

~~(2) A COUNTY SHALL ADOPT OBJECTIVE CRITERIA FOR DESIGNATING PROPERTY TO BE WITHHELD FROM SALE UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

14–817.

(c) (1) [In Baltimore City, abandoned] **ABANDONED** property consisting of either a vacant lot or improved property cited as vacant and unfit for habitation on a housing or building violation notice may be sold for a sum less than the total amount of:

(i) all taxes on the property that are certified to the collector under § 14–810 of this subtitle;

(ii) interest and penalties on the taxes; and

(iii) expenses incurred in making the sale.

(2) The collector shall establish a minimum bid for abandoned property sold under this subsection.

(3) The person responsible for the taxes prior to the sale shall remain liable to the collector for the difference between the amount received in the tax sale under this section and the taxes, interest, penalties, and expenses remaining after the sale.

(4) The balance remaining after the tax sale shall be included in the amount necessary to redeem the property under § 14–828 of this subtitle.

(5) In a proceeding brought by [the Mayor and City Council of Baltimore City] **THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION** to foreclose the right of redemption under this subtitle, the complaint may request a judgment for the [city] **COUNTY OR MUNICIPAL CORPORATION** in the amount of the balance.

(6) The balance remaining after the tax sale is no longer a lien on the property when:

(i) a judgment is entered foreclosing the owner's right of redemption;

(ii) the deed is recorded; and

(iii) all liens accruing subsequent to the date of sale are paid in full.

(7) [The Mayor and City Council] **THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION** may institute a separate action to collect the balance at any time within 7 years after the tax sale if the plaintiff is a private purchaser.

1 14-824.

2 (a) Except as provided in subsection (b) of this section, the governing body of a  
3 county or other taxing agency shall buy in and hold any property in their respective  
4 counties offered for sale for nonpayment of any taxes for which there is no private  
5 purchaser.

6 (b) (1) The [Mayor and City Council of Baltimore City] **GOVERNING BODY OF**  
7 **A COUNTY OR OTHER TAXING AGENCY** may buy in and hold any abandoned property for  
8 which there is no private purchaser for the amount of the minimum bid set pursuant to §  
9 14-817(c)(2) of this subtitle.

10 (2) The governing body of a county or other taxing agency may transfer any  
11 interest it acquires in abandoned property to a land bank authority established under §  
12 1-1403 of the Local Government Article of which the governing body or other taxing agency  
13 is a member.

14 (c) The governing body of the county, a land bank authority established under §  
15 1-1403 of the Local Government Article of which the county is a member, and other taxing  
16 agency have the same rights and remedies with regard to the property as other purchasers,  
17 including the right to foreclose the right of redemption.

18 (d) A certificate of sale in the form provided in this subtitle shall be issued by the  
19 collector in the name of ~~the Mayor and City Council of Baltimore City or~~ the governing body  
20 of the county or other taxing agency.

21 14-833.

22 (c) (2) [In Baltimore City a] **A** certificate for abandoned property sold under §  
23 14-817(c) of this subtitle with a minimum bid less than the lien amount reverts to the  
24 [Mayor and City Council] **COUNTY OR MUNICIPAL CORPORATION** and is void as to the  
25 private purchaser at tax sale unless:

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

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

32 (f) The holder of a certificate of sale for abandoned property [in Baltimore City]  
33 sold under § 14-817(c) of this subtitle with a minimum bid less than the lien amount may  
34 file a complaint to foreclose all rights of redemption in the property at any time after the  
35 date of sale.

1 (g) When the [Mayor and City Council of Baltimore City or the] governing body  
 2 of [Prince George’s County] A COUNTY OR MUNICIPAL CORPORATION becomes the  
 3 holder of a certificate of sale purchased in accordance with § 14–824 of this subtitle, the  
 4 [Mayor and City Council of Baltimore City or the] governing body of [Prince George’s  
 5 County] THE COUNTY OR MUNICIPAL CORPORATION may file a complaint, at any time  
 6 after the date of sale, to foreclose all rights of redemption in abandoned property consisting  
 7 of:

8 (1) a vacant lot; or

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 12 October 1, 2018.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.