

Chapter 382

(House Bill 852)

AN ACT concerning

Property Tax – Tax Sales – Homeowner Protection Program

FOR the purpose of requiring the collector to withhold from sale the dwelling of a homeowner who is enrolled in the Homeowner Protection Program; requiring a certain insert included in a certain notice mailed to certain owners of property on which the taxes are in arrears to include certain information about the Program; establishing the Homeowner Protection Program in the Department of Assessments and Taxation; providing that the purpose of the Program is to divert vulnerable homeowners from the private tax lien sale process into an alternative program with certain purposes; establishing certain eligibility requirements for the Program; authorizing the Department to establish additional eligibility requirements for the Program; requiring the Department to establish certain processes to give priority to certain homeowners for enrollment in the Program and to ensure that homeowners are enrolled in the Program who reside in each county in the State; requiring the Department to determine the maximum number of homeowners who may be enrolled in the Program in the next succeeding fiscal year on or before a certain date each year; providing that the number of homeowners enrolled in the Program may not exceed the maximum number determined by the Department; prohibiting county or municipal governments from being required to pay any costs of the Program; requiring a homeowner to submit an application to the Department to be enrolled in the Program; authorizing a homeowner to submit an application by certain methods; requiring the State Tax Sale Ombudsman to take certain actions to raise awareness of the Program and disseminate applications; requiring the Ombudsman to cancel the enrollment of a homeowner in the Program under certain circumstances; requiring the Ombudsman to send a certain notice to a homeowner whose enrollment in the Program is canceled; providing that a homeowner's enrollment in the Program ends on a certain date; requiring the Department and the county or municipal corporation to take certain actions if a homeowner is first enrolled in the Program before the lien on the homeowner's dwelling is sold at tax sale; requiring the Department to take certain actions if a homeowner is first enrolled in the Program after the lien on the homeowner's dwelling is sold at tax sale; requiring the Department and the county or municipal corporation to take certain actions after a homeowner is enrolled in the Program; specifying to whom a homeowner's tax debt is owed after the lien on the homeowner's dwelling is sold to the Department; requiring the Department to retain a lien on the dwelling of a homeowner whose enrollment in the Program is canceled but prohibiting the Department from enforcing the lien until the ownership of the dwelling is transferred; requiring the Ombudsman to make certain efforts to assist homeowners; requiring the Ombudsman to communicate with homeowners in a certain manner; authorizing the Ombudsman to take certain actions to assist a homeowner; authorizing the Ombudsman to forgive all or part of the tax debt owed by a homeowner under certain

circumstances; authorizing the Department to charge interest not exceeding a certain rate on unpaid taxes owed to the Department; authorizing the Ombudsman to set a lower interest rate or waive interest; prohibiting the Department from imposing certain additional fees or costs on a homeowner; authorizing the Department to conduct an in rem foreclosure and sale of dwelling of a homeowner under certain circumstances; requiring the Department to take certain actions to initiate an in rem foreclosure action; requiring all taxes to be included in the foreclosure action and cease to be a lien on the dwelling under certain circumstances; requiring a complaint for an in rem foreclosure to include certain information; authorizing a complaint for an in rem foreclosure to be amended in a certain manner; authorizing an interested party to cure the delinquent taxes on a dwelling; providing for the timing and conduct of a hearing on an in rem foreclosure; requiring the court to enter a certain judgment and order the dwelling to be sold at public auction if the court makes certain findings; requiring the Department to sell a dwelling at public auction at a certain time and in a certain manner; requiring the Department to deposit certain funds in an escrow account and requiring the court to distribute the funds in a certain manner; requiring the Department to file a certain notice to the court after a sale; providing that the sale of a dwelling is final and binding on the maker of the highest bid; requiring the title acquired in an in rem foreclosure proceeding to be of a certain nature; providing that a judgment in an in rem foreclosure is binding and conclusive on certain persons; prohibiting a homeowner or any interested party in a homeowner's dwelling from raising a certain defense to an in rem foreclosure action by the Department or taking any legal action against the Department on a certain basis; providing that the Department is not liable for any environmental or other violation related to the dwelling of a homeowner enrolled or formerly enrolled in the Program unless the Department purchases the dwelling in a certain manner; ~~altering the transfer tax rate applicable to certain instruments of writing; requiring that certain transfer tax revenue be distributed to the Homeowner Protection Fund; prohibiting the collector from delivering a certificate of sale to the purchaser of a property at tax sale until the purchaser has paid a certain fee to the collector; requiring the fee to be credited to the Homeowner Protection Fund;~~ establishing the Homeowner Protection Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; requiring the Governor to include in the annual budget bill an appropriation of a certain amount to the Fund for certain fiscal years; specifying the purpose for which the Fund may be used; prohibiting the Fund from being used for certain expenses of the office of the State Tax Sale Ombudsman; providing for the investment of money in and expenditures from the Fund; requiring interest earnings of the Fund to be credited to the Fund; requiring that the Fund be the exclusive source of funding for the Program; ~~prohibiting county governments from being required to pay any costs of the Program~~; exempting the Fund from a certain provision of law requiring interest earnings on State money to accrue to the General Fund of the State; requiring the Department to determine the maximum number of homeowners who may be enrolled in the Program in a certain fiscal year on or before a certain date; requiring a certain report issued by the

Department each year to include certain information and recommendations concerning the Program; providing for the delayed effective dates of this Act; ~~providing for a delayed effective date for certain provisions of this Act;~~ defining certain terms; and generally relating to a Homeowner Protection Program for homeowners in tax sales.

BY adding to

Article – Tax – Property

Section 14–811(g); and 14–883 through 14–891 to be under the new part “Part VII. Homeowner Protection Program”

Annotated Code of Maryland

(2019 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 14–812(a)

Annotated Code of Maryland

(2019 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 14–812(b) and 14–880

Annotated Code of Maryland

(2019 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(i)

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section ~~6–226(a)(2)(ii)122. and 123.~~ 6–226(a)(2)(ii)127. and 128.

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

(As enacted by Chapters 20 and 538 of the Acts of the General Assembly of 2020 and Chapters 4, 8, 25, 28, 33, and 36 of the Acts of the General Assembly of 2021)

BY adding to

Article – State Finance and Procurement

Section ~~6–226(a)(2)(ii)124.~~ 6–226(a)(2)(ii)129.

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article – Tax – Property
Section 13-203(a)(1), 13-209(a), 14-812(b), and 14-820(a)
Annotated Code of Maryland
(2019 Replacement Volume and 2020 Supplement)~~

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

Article – Tax – Property

14-811.

(G) THE COLLECTOR SHALL WITHHOLD FROM SALE THE DWELLING OF A HOMEOWNER WHO IS ENROLLED IN THE HOMEOWNER PROTECTION PROGRAM ESTABLISHED UNDER PART VII OF THIS SUBTITLE.

14-812.

(a) (1) At least 30 days before any property is first advertised for sale under this subtitle, the collector shall have mailed to the person who last appears as owner of the property on the collector's tax roll, at the last address shown on the tax roll, a statement giving the name of the person, and the amounts of taxes due.

(2) On the statement required under paragraph (1) of this subsection there shall also appear the following notice:

“Date”

“This Is a Final Bill and Legal Notice to the Person Whose Name Appears on This Notice.”

“According to the collector's tax roll you are the owner of the property appearing on this notice. Some of the taxes listed are in arrears. Notice is given you that unless all taxes in arrears are paid on or before 30 days from the above date, the collector will proceed to sell the above property to satisfy your entire indebtedness. Interest and penalties must be added to the total at the time of payment.”

(b) The mailing required under subsection (a) of this section shall include a separate insert that includes the following:

(1) a clear, concise, and easily understandable summary of the tax sale process not exceeding one page in length that includes a simple explanation of the steps that a property owner is required to take to retain the property at each stage in the process;

(2) the statement “If this property is your principal residence and you are having difficulty paying the taxes on the property, there are programs that may help you.”;

(3) a statement that the State Tax Sale Ombudsman established under § 2–112 of this article or the County Tax Sale Ombudsman, if applicable, is available to:

(i) answer questions about the tax sale process; and

(ii) assist homeowners with applying for tax credits and other benefits that may help homeowners to pay delinquent taxes and retain their homes;

(4) the toll-free telephone number and website address of the State Tax Sale Ombudsman or the County Tax Sale Ombudsman, if applicable;

(5) a statement that free counseling is available to help homeowners make plans to pay their bills and keep their homes by calling the telephone number of:

(i) the Homeowner's HOPE Hotline; or

(ii) another similar local housing counseling service chosen by the collector;

(6) the following information concerning the homeowners' property tax credit under § 9–104 of this article:

(i) the statement "The homeowners' property tax credit may significantly reduce the property taxes you owe if you have limited income and assets. You may be eligible for the credit at any age, but if you are 70 years old or older, you may be eligible for a special benefit that may reduce the taxes you owe for the past 3 years."; and

(ii) the website address and telephone number of the State Tax Sale Ombudsman where more information is available about the homeowners' property tax credit and how to apply;

(7) if the collector uses the tax sale process to enforce a lien for unpaid charges for water or sewer service and a water or sewer utility serving the collector's jurisdiction offers a program for discounted water or sewer rates for low-income customers:

(i) a brief description of the program for discounted water or sewer rates for low-income customers; and

(ii) information on how to apply for the program, including, if applicable, a website address and telephone number where more information and applications are available; [and]

(8) THE FOLLOWING INFORMATION CONCERNING THE HOMEOWNER PROTECTION PROGRAM UNDER PART VII OF THIS SUBTITLE:

(I) THE STATEMENT, “IF YOU ARE A HOMEOWNER OF LIMITED INCOME YOU MAY QUALIFY FOR THE HOMEOWNER PROTECTION PROGRAM, WHICH ~~WOULD~~ COULD KEEP YOUR HOME OUT OF TAX SALE FOR AT LEAST 3 YEARS AND ~~WOULD~~ COULD HELP YOU TO PAY THE TAXES YOU OWE AND KEEP YOUR HOME.”; AND

(II) THE WEBSITE ADDRESS AND TELEPHONE NUMBER OF THE STATE TAX SALE OMBUDSMAN WHERE MORE INFORMATION IS AVAILABLE ABOUT THE HOMEOWNER PROTECTION PROGRAM AND HOW TO APPLY; AND

[(8)] (9) any other information that may assist low-income homeowners in avoiding tax sale costs or foreclosure that the collector considers appropriate.

14-880.

(a) Each year, the Department shall issue a report that includes:

(1) an analysis and summary of the information collected through the survey under § 14-879 of this part; and

(2) the following information concerning the activities of the State Tax Sale Ombudsman established under § 2-112 of this article in the preceding taxable year:

(i) the number of homeowners who contacted the Ombudsman;

(ii) the number of homeowners assisted by the Ombudsman to apply for each of the tax credits under § 9-104 or § 9-105 of this article;

(iii) the number of homeowners assisted by the Ombudsman to apply for other discount programs or public benefits and a brief summary of those programs and benefits;

(iv) the number of homeowners referred by the Ombudsman to legal services, housing counseling, and other social services, and a brief summary of those services;
[and]

(V) THE NUMBER OF HOMEOWNERS ENROLLED IN THE HOMEOWNER PROTECTION PROGRAM UNDER PART VII OF THIS SUBTITLE;

(VI) A SUMMARY OF THE IMPLEMENTATION OF THE HOMEOWNER PROTECTION PROGRAM UNDER PART VII OF THIS SUBTITLE;

(VII) ANY STATUTORY OR ADMINISTRATIVE CHANGES THE OMBUDSMAN RECOMMENDS TO IMPROVE THE ADMINISTRATION OF THE HOMEOWNER PROTECTION PROGRAM UNDER PART VII OF THIS SUBTITLE; AND

~~[(v)]~~ **(VIII)** any other relevant information.

(b) On or before November 15 each year, the Department shall:

(1) publish the report required under subsection (a) of this section on the Department's website; and

(2) submit the report required under subsection (a) of this section, in accordance with § 2-1257 of the State Government Article, to the Senate Budget and Taxation Committee and the House Committee on Ways and Means.

14-881. RESERVED.

14-882. RESERVED.

PART VII. HOMEOWNER PROTECTION PROGRAM.

14-883.

(A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "COMBINED INCOME" MEANS THE COMBINED MARYLAND ADJUSTED GROSS INCOME OF ALL INDIVIDUALS WHO ACTUALLY RESIDE IN A DWELLING EXCEPT AN INDIVIDUAL WHO:

(1) IS A DEPENDENT OF THE HOMEOWNER UNDER § 152 OF THE INTERNAL REVENUE CODE; OR

(2) PAYS A REASONABLE AMOUNT FOR RENT OR ROOM AND BOARD.

(C) "DWELLING" HAS THE MEANING STATED IN § 9-105 OF THIS ARTICLE.

(D) "HOMEOWNER" HAS THE MEANING STATED IN § 9-105 OF THIS ARTICLE.

(E) "OMBUDSMAN" MEANS THE STATE TAX SALE OMBUDSMAN ESTABLISHED UNDER § 2-112 OF THIS ARTICLE.

(F) "PROGRAM" MEANS THE HOMEOWNER PROTECTION PROGRAM ESTABLISHED UNDER THIS PART.

(G) "TAX" HAS THE MEANING STATED IN § 14-801 OF THIS SUBTITLE.

14-884.

(A) THERE IS A HOMEOWNER PROTECTION PROGRAM ADMINISTERED BY THE OMBUDSMAN IN THE DEPARTMENT.

(B) THE PURPOSE OF THE PROGRAM IS TO DIVERT VULNERABLE HOMEOWNERS FROM THE PRIVATE TAX LIEN SALE PROCESS UNDER PART III OF THIS SUBTITLE INTO AN ALTERNATIVE PROGRAM WITH THE PRIMARY PURPOSE OF:

- (1) MINIMIZING TAX COLLECTION COSTS TO HOMEOWNERS;**
- (2) ASSISTING HOMEOWNERS TO PAY THEIR TAXES; AND**
- (3) ALLOWING HOMEOWNERS TO REMAIN IN THEIR HOMES.**

14-885.

(A) (1) TO BE ELIGIBLE FOR THE PROGRAM A HOMEOWNER SHALL:

(I) RESIDE IN A DWELLING THAT HAS AN ASSESSED VALUE OF \$300,000 OR LESS; AND

(II) HAVE A COMBINED INCOME OF \$60,000 OR LESS.

(2) THE DEPARTMENT MAY ESTABLISH, BY REGULATION, ADDITIONAL ELIGIBILITY CRITERIA FOR ENROLLMENT IN THE PROGRAM.

(B) THE DEPARTMENT SHALL ESTABLISH, BY REGULATION, A PROCESS TO:

(1) GIVE PRIORITY FOR ENROLLMENT IN THE PROGRAM TO HOMEOWNERS WHO ARE:

(I) AT LEAST 60 YEARS OLD; OR

(II) CURRENTLY RECEIVING DISABILITY BENEFITS FROM THE FEDERAL SOCIAL SECURITY DISABILITY INSURANCE PROGRAM OR THE FEDERAL SUPPLEMENTAL SECURITY INCOME PROGRAM; AND

(2) ENSURE THAT HOMEOWNERS ARE ENROLLED IN THE PROGRAM WHO RESIDE IN EACH COUNTY IN THE STATE.

(C) ON OR BEFORE JUNE 30 EACH YEAR, THE DEPARTMENT SHALL DETERMINE THE MAXIMUM NUMBER OF HOMEOWNERS WHO MAY BE ENROLLED IN THE PROGRAM IN THE NEXT SUCCEEDING FISCAL YEAR BASED ON THE AMOUNT OF FUNDING AVAILABLE FOR THE PROGRAM IN THE HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14-891 OF THIS PART.

(D) THE NUMBER OF HOMEOWNERS ENROLLED IN THE PROGRAM IN A FISCAL YEAR MAY NOT EXCEED THE MAXIMUM NUMBER DETERMINED BY THE DEPARTMENT UNDER SUBSECTION (C) OF THIS SECTION.

(E) COUNTY OR MUNICIPAL GOVERNMENTS MAY NOT BE REQUIRED TO PAY ANY COSTS OF THE ~~HOMEOWNER PROTECTION~~ PROGRAM.

14-886.

(A) A HOMEOWNER SHALL SUBMIT AN APPLICATION TO THE DEPARTMENT TO BE ENROLLED IN THE PROGRAM.

(B) A HOMEOWNER MAY SUBMIT AN APPLICATION FOR THE PROGRAM ONLINE OR BY MAIL.

(C) THE OMBUDSMAN SHALL:

(1) PROMINENTLY ADVERTISE THE PROGRAM AND MAKE APPLICATIONS AVAILABLE ON THE OMBUDSMAN'S WEBSITE; AND

(2) COLLABORATE WITH LOCAL GOVERNMENTS, COMMUNITY ORGANIZATIONS, AND PUBLIC AND PRIVATE PROVIDERS OF SOCIAL SERVICES AND BENEFITS TO RAISE AWARENESS OF THE PROGRAM AND DISSEMINATE APPLICATIONS.

(D) THE OMBUDSMAN SHALL CANCEL THE ENROLLMENT OF A HOMEOWNER IN THE PROGRAM IF:

(1) THE HOMEOWNER SUBMITS A REQUEST TO THE OMBUDSMAN TO WITHDRAW FROM THE PROGRAM;

(2) THE HOMEOWNER SUBMITTED FALSE INFORMATION IN THE HOMEOWNER'S APPLICATION FOR ENROLLMENT IN THE PROGRAM; OR

(3) THE OMBUDSMAN DETERMINES THAT THE HOMEOWNER IS NOT ACTING IN GOOD FAITH TO PAY THE TAXES DUE.

(E) IF THE OMBUDSMAN CANCELS THE ENROLLMENT OF A HOMEOWNER IN THE PROGRAM, THE OMBUDSMAN SHALL SEND A NOTICE OF THE CANCELLATION TO THE HOMEOWNER THAT INCLUDES THE REASONS FOR CANCELLATION.

(F) A HOMEOWNER'S ENROLLMENT IN THE PROGRAM ENDS ON THE EARLIEST OF:

(1) THE DATE THE HOMEOWNER PAYS THE FULL AMOUNT OF THE TAXES OWED TO THE DEPARTMENT;

(2) THE DATE THAT IS 3 YEARS AFTER THE DATE THE HOMEOWNER FIRST ENROLLED IN THE PROGRAM; OR

(3) THE DATE THE HOMEOWNER'S ENROLLMENT IN THE PROGRAM IS CANCELED UNDER SUBSECTION (D) OF THIS SECTION.

14-887.

(A) IF A HOMEOWNER IS FIRST ENROLLED IN THE PROGRAM BEFORE THE LIEN ON THE HOMEOWNER'S DWELLING IS SOLD AT TAX SALE:

(1) THE DEPARTMENT SHALL PAY THE COUNTY OR MUNICIPAL CORPORATION THE FULL AMOUNT OF THE TAX LIEN AND ASSUME EXCLUSIVE RESPONSIBILITY FOR COLLECTING THE OUTSTANDING TAX DEBT; AND

(2) THE COUNTY OR MUNICIPAL CORPORATION SHALL WITHHOLD THE DWELLING FROM THE NEXT TAX SALE.

(B) IF A HOMEOWNER IS FIRST ENROLLED IN THE PROGRAM AFTER THE LIEN ON THE HOMEOWNER'S DWELLING IS SOLD AT TAX SALE, THE DEPARTMENT SHALL PAY THE HOLDER OF THE TAX SALE CERTIFICATE THE FULL AMOUNT REQUIRED TO REDEEM THE CERTIFICATE, INCLUDING INTEREST AND EXPENSES OF THE CERTIFICATE HOLDER, AND ASSUME EXCLUSIVE RESPONSIBILITY FOR COLLECTING THE OUTSTANDING TAX DEBT.

(C) AFTER A HOMEOWNER IS ENROLLED IN THE PROGRAM:

(1) THE DEPARTMENT SHALL PAY THE COUNTY OR MUNICIPAL CORPORATION THE FULL AMOUNT OF ANY TAX LIEN THAT SUBSEQUENTLY BECOMES DUE ON THE DWELLING DURING THE ENTIRE PERIOD THAT THE HOMEOWNER IS ENROLLED IN THE PROGRAM AND ASSUME EXCLUSIVE RESPONSIBILITY FOR COLLECTING THE OUTSTANDING TAX DEBT; AND

(2) THE COUNTY OR MUNICIPAL CORPORATION SHALL WITHHOLD THE DWELLING FROM TAX SALE DURING THE ENTIRE PERIOD THAT THE HOMEOWNER IS ENROLLED IN THE PROGRAM.

(D) AFTER THE DEPARTMENT PURCHASES A TAX LIEN ON THE DWELLING OF A HOMEOWNER UNDER THIS SECTION, THE HOMEOWNER'S OUTSTANDING TAX DEBT:

- (1) IS OWED TO THE DEPARTMENT; AND**
- (2) IS NOT OWED TO ANY OTHER PERSON ~~OR ENTITY~~.**

(E) IF A HOMEOWNER'S ENROLLMENT IN THE PROGRAM IS CANCELED UNDER § 14-886(D) OF THIS PART, THE DEPARTMENT SHALL RETAIN A LIEN ON THE HOMEOWNER'S DWELLING FOR THE TAXES OWED TO THE DEPARTMENT BUT MAY NOT INITIATE ANY COLLECTION EFFORTS OR OTHERWISE ACT TO ENFORCE THE LIEN UNTIL OWNERSHIP OF THE DWELLING IS TRANSFERRED.

14-888.

(A) FOR EACH HOMEOWNER ENROLLED IN THE PROGRAM, THE OMBUDSMAN SHALL MAKE INTENSIVE EFFORTS TO:

- (1) DETERMINE WHY THE HOMEOWNER HAS NOT PAID THE TAXES DUE; AND**
- (2) PROVIDE APPROPRIATE ASSISTANCE TO HELP THE HOMEOWNER PAY THE TAXES DUE AND RETAIN THE DWELLING.**

(B) THE OMBUDSMAN SHALL COMMUNICATE WITH EACH HOMEOWNER ENROLLED IN THE PROGRAM THROUGH WHATEVER METHOD IS MOST EFFECTIVE, WHICH MAY INCLUDE:

- (1) EASY-TO-UNDERSTAND MAILINGS;**
- (2) PHONE CALLS;**
- (3) NOTICES POSTED ON THE DWELLING; AND**
- (4) WHEN NECESSARY OR APPROPRIATE, AN IN-PERSON VISIT.**

(C) THE OMBUDSMAN MAY ASSIST A HOMEOWNER ENROLLED IN THE PROGRAM BY:

- (1) HELPING THE HOMEOWNER TO APPLY FOR EXISTING TAX CREDITS AND PUBLIC AND PRIVATE PROGRAMS AND BENEFITS; OR**

(2) ENTERING INTO AN INSTALLMENT PAYMENT PLAN WITH THE HOMEOWNER TO PAY THE TAXES DUE.

(D) THE OMBUDSMAN MAY FORGIVE ALL OR PART OF THE TAX DEBT OWED TO THE DEPARTMENT BY A HOMEOWNER ENROLLED IN THE PROGRAM WHO FACES PARTICULAR HARDSHIP OR HAS A SPECIAL NEED.

14-889.

(A) (1) THE DEPARTMENT MAY CHARGE INTEREST ON UNPAID TAXES OWED TO THE DEPARTMENT AT A RATE NOT EXCEEDING 6%.

(2) THE OMBUDSMAN MAY SET A LOWER INTEREST RATE OR WAIVE INTEREST ENTIRELY AT THE OMBUDSMAN'S DISCRETION.

(B) OTHER THAN THE INTEREST SPECIFIED IN SUBSECTION (A) OF THIS SECTION, THE DEPARTMENT MAY NOT IMPOSE ANY FEES OR COSTS ON A HOMEOWNER IN ADDITION TO THE TAXES OWED.

14-890.

(A) IN THIS SECTION, "INTERESTED PARTY" MEANS:

(1) THE PERSON WHO LAST APPEARS AS OWNER OF THE DWELLING ON THE COLLECTOR'S TAX ROLL;

(2) A MORTGAGEE OF THE DWELLING OR ASSIGNEE OF A MORTGAGE OF RECORD;

(3) A HOLDER OF A BENEFICIAL INTEREST IN A DEED OF TRUST RECORDED AGAINST THE DWELLING;

(4) A TAXING AGENCY THAT HAS THE AUTHORITY TO COLLECT TAX ON THE DWELLING; OR

(5) ANY PERSON HAVING AN INTEREST IN THE DWELLING WHOSE IDENTITY AND ADDRESS ARE:

(I) REASONABLY ASCERTAINABLE FROM THE COUNTY LAND RECORDS; OR

(II) REVEALED BY A FULL TITLE SEARCH CONSISTING OF AT LEAST 50 YEARS.

(B) THE DEPARTMENT MAY CONDUCT AN IN REM FORECLOSURE AND SALE OF A DWELLING OF A HOMEOWNER FORMERLY ENROLLED IN THE PROGRAM IN ACCORDANCE WITH THIS SECTION.

(C) THE DEPARTMENT MAY FORECLOSE ON AND SELL A DWELLING OF A HOMEOWNER FORMERLY ENROLLED IN THE PROGRAM ONLY IF:

(1) AT LEAST 3 YEARS HAVE ELAPSED SINCE THE HOMEOWNER FIRST ENROLLED IN THE PROGRAM; AND

(2) ALL REASONABLE EFFORTS TO ASSIST THE HOMEOWNER TO PAY THE TAXES OWED TO THE DEPARTMENT HAVE FAILED.

(D) TO INITIATE AN IN REM FORECLOSURE ACTION THE DEPARTMENT SHALL:

(1) FILE A COMPLAINT FOR AN IN REM FORECLOSURE IN THE CIRCUIT COURT OF THE COUNTY WHERE THE DWELLING IS LOCATED; AND

(2) WITHIN 5 DAYS AFTER FILING THE COMPLAINT, SEND NOTICE AND A COPY OF THE COMPLAINT TO EACH INTERESTED PARTY BY FIRST-CLASS MAIL AND CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL SERVICE.

(E) ALL TAXES SHALL:

(1) BE INCLUDED IN THE FORECLOSURE ACTION; AND

(2) CEASE TO BE A LIEN AGAINST THE DWELLING IF A JUDGMENT IS ENTERED FORECLOSING THE EXISTING INTERESTS OF ALL INTERESTED PARTIES IN THE DWELLING.

(F) THE COMPLAINT FOR AN IN REM FORECLOSURE SHALL INCLUDE:

(1) THE NAME AND ADDRESS OF THE DEPARTMENT;

(2) A DESCRIPTION OF THE DWELLING AS IT APPEARS IN THE COUNTY LAND RECORDS;

(3) THE TAX IDENTIFICATION NUMBER OF THE DWELLING;

(4) A STATEMENT THAT THE TAXES ARE DELINQUENT AT THE TIME OF THE FILING;

(5) THE AMOUNT OF TAXES THAT ARE DELINQUENT AS OF THE DATE OF THE FILING;

(6) THE NAMES AND LAST KNOWN ADDRESSES OF ALL INTERESTED PARTIES IN THE DWELLING AND, IF APPLICABLE, A STATEMENT THAT THE ADDRESS OF A PARTICULAR INTERESTED PARTY IN THE DWELLING IS UNKNOWN; AND

(7) A REQUEST THAT THE CIRCUIT COURT ENTER A JUDGMENT THAT FORECLOSES THE EXISTING INTERESTS OF ALL INTERESTED PARTIES IN THE DWELLING AND ORDERS THE DWELLING TO BE SOLD AT PUBLIC AUCTION.

(G) A COMPLAINT FOR AN IN REM FORECLOSURE MAY BE AMENDED TO INCLUDE ALL TAXES THAT BECOME DELINQUENT AFTER THE COMMENCEMENT OF THE IN REM FORECLOSURE ACTION.

(H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN INTERESTED PARTY HAS THE RIGHT TO CURE THE DELINQUENT TAXES ON THE DWELLING BY PAYING ALL PAST DUE TAXES AT ANY TIME BEFORE THE ENTRY OF THE FORECLOSURE JUDGMENT.

(2) THE RIGHT TO CURE THE DELINQUENT TAXES ON THE DWELLING IS EXTINGUISHED ONCE THE FORECLOSURE JUDGMENT IS ENTERED.

(I) A CIRCUIT COURT MAY NOT SET A HEARING FOR AN IN REM FORECLOSURE UNTIL 30 DAYS AFTER THE COMPLAINT FOR AN IN REM FORECLOSURE IS FILED.

(J) AT THE HEARING, ANY INTERESTED PARTY SHALL HAVE THE RIGHT TO BE HEARD AND TO CONTEST THE DELINQUENCY OF THE TAXES AND THE ADEQUACY OF THE PROCEEDINGS.

(K) IF THE CIRCUIT COURT FINDS THAT THE DEPARTMENT SENT NOTICE AND A COPY OF THE COMPLAINT TO EACH INTERESTED PARTY AND THAT THE INFORMATION SET FORTH IN THE COMPLAINT IS ACCURATE, THE COURT SHALL:

(1) ENTER A JUDGMENT THAT PROPER NOTICE HAS BEEN PROVIDED TO ALL INTERESTED PARTIES; AND

(2) ORDER THAT THE DWELLING BE SOLD AT PUBLIC AUCTION.

(L) (1) AFTER ENTRY OF JUDGMENT UNDER SUBSECTION (K) OF THIS SECTION, THE DEPARTMENT SHALL SELL THE DWELLING AT PUBLIC AUCTION IN ACCORDANCE WITH THE MARYLAND RULES.

(2) THE DWELLING MAY NOT BE SOLD UNTIL AT LEAST 45 DAYS AFTER THE ENTRY OF JUDGMENT.

(M) THE MINIMUM BID FOR THE SALE OF THE DWELLING SHALL BE BASED ON THE FAIR MARKET VALUE OF THE DWELLING, AS DETERMINED BY THE DEPARTMENT.

(N) (1) THE DWELLING SHALL BE SOLD TO THE PERSON MAKING THE HIGHEST BID.

(2) THE PERSON MAKING THE HIGHEST BID SHALL PAY THE FULL BID AMOUNT TO THE DEPARTMENT.

(3) IF THE MINIMUM BID IS NOT MADE OR EXCEEDED, THE DEPARTMENT MAY BID THE MINIMUM BID PRICE AND PURCHASE THE REAL PROPERTY.

(O) (1) THE DEPARTMENT SHALL DEPOSIT ANY AMOUNT BY WHICH THE HIGHEST BID EXCEEDS THE AMOUNT OF TAXES DUE ON THE DWELLING IN AN ESCROW ACCOUNT.

(2) THE CIRCUIT COURT SHALL DISTRIBUTE THE FUNDS DEPOSITED INTO THE ESCROW ACCOUNT TO THE INTERESTED PARTIES IN THE ORDER OF PRIORITY OF THE INTERESTS OF THE INTERESTED PARTIES.

(P) AFTER A SALE, THE DEPARTMENT SHALL FILE A NOTICE INFORMING THE CIRCUIT COURT OF THE SALE AND STATING THE DATE OF THE SALE, THE SALE PRICE, AND THE IDENTITY OF THE PURCHASER.

(Q) A SALE OF A DWELLING UNDER THIS SECTION IS FINAL AND BINDING ON THE MAKER OF THE HIGHEST BID.

(R) (1) THE TITLE ACQUIRED IN AN IN REM FORECLOSURE PROCEEDING SHALL BE AN ABSOLUTE OR FEE SIMPLE TITLE INCLUDING THE RIGHT, TITLE, AND INTEREST OF EACH OF THE DEFENDANTS IN THE PROCEEDING WHOSE PROPERTY HAS BEEN FORECLOSED UNLESS A DIFFERENT TITLE IS SPECIFIED IN THE JUDGMENT ENTERED.

(2) A JUDGMENT IN AN ACTION UNDER THIS SECTION IS BINDING AND CONCLUSIVE, REGARDLESS OF LEGAL DISABILITY, ON:

(I) ALL PERSONS, KNOWN AND UNKNOWN, WHO WERE PARTIES TO THE ACTION AND WHO HAD A CLAIM TO THE PROPERTY, WHETHER PRESENT OR

FUTURE, VESTED OR CONTINGENT, LEGAL OR EQUITABLE, OR SEVERAL OR UNDIVIDED; AND

(II) ALL PERSONS WHO WERE NOT PARTIES TO THE ACTION AND HAD A CLAIM TO THE PROPERTY THAT WAS NOT RECORDED AT THE TIME THAT THE ACTION WAS COMMENCED.

(S) A HOMEOWNER OR ANY INTERESTED PARTY IN A HOMEOWNER'S DWELLING MAY NOT:

(1) RAISE AS A DEFENSE TO A FORECLOSURE ACTION UNDER THIS SECTION THAT THE DEPARTMENT FAILED TO MAKE SUFFICIENT EFFORTS TO ASSIST THE HOMEOWNER UNDER § 14-888(A) AND (B) OF THIS SUBTITLE OR SUBSECTION (C) OF THIS SECTION; OR

(2) TAKE ANY LEGAL ACTION AGAINST THE DEPARTMENT ON THE BASIS THAT THE DEPARTMENT FAILED TO MAKE SUFFICIENT EFFORTS TO ASSIST THE HOMEOWNER UNDER § 14-888(A) AND (B) OF THIS SUBTITLE OR SUBSECTION (C) OF THIS SECTION.

(T) THE DEPARTMENT IS NOT LIABLE FOR ANY ENVIRONMENTAL OR OTHER VIOLATION RELATED TO THE DWELLING OF A HOMEOWNER ENROLLED OR FORMERLY ENROLLED IN THE PROGRAM UNLESS THE DEPARTMENT PURCHASES THE DWELLING UNDER SUBSECTION (N)(3) OF THIS SECTION.

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~Article — State Finance and Procurement~~

~~6-226.~~

~~(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.~~

~~(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:~~

~~122. the Racing and Community Development Financing Fund;~~
[and]

~~123. the Racing and Community Development Facilities Fund;~~

~~AND~~

~~124. THE HOMEOWNER PROTECTION FUND.~~

~~Article Tax Property~~

~~13-203.~~

~~(a) (1) Except as provided in subsections (a-1) and (b) of this section, the rate of the transfer tax is:~~

~~(I) 0.5% of the consideration payable for the instrument of writing IF THE CONSIDERATION IS LESS THAN \$1,000,000; OR~~

~~(II) 0.6% OF THE CONSIDERATION PAYABLE FOR THE INSTRUMENT OF WRITING IF THE CONSIDERATION IS \$1,000,000 OR MORE.~~

~~13-209.~~

~~(a) (1) Before any other distribution under this section, in any fiscal year that bonds secured by a pledge of the State transfer tax are outstanding, the revenue from the transfer tax shall be used to pay, as and when due, the principal of and interest on the bonds.~~

~~(2) The Department shall deduct the cost of administering the transfer tax from the taxes collected under this title and credit those revenues to the fund established under § 1-203.3 of the Corporations and Associations Article.~~

~~(3) ALL TRANSFER TAX REVENUE ATTRIBUTABLE TO THE PORTION OF THE TAX RATE IN EXCESS OF 0.5% OF THE CONSIDERATION PAYABLE FOR AN INSTRUMENT WRITING UNDER § 13-203(A)(1)(II) OF THIS SUBTITLE SHALL BE CREDITED TO THE HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14-891 OF THIS ARTICLE.~~

~~[(3)] (4) Except as provided in paragraph [(4)] (5) of this subsection, after deducting the revenues required under paragraphs (1) [and], (2), AND (3) of this subsection, the revenue from transfer tax is payable to the Comptroller for deposit in a special fund.~~

~~[(4)] (5) In any fiscal year in which transfer tax revenue is used to pay debt service on outstanding bonds under paragraph (1) of this subsection, the distribution of revenues in the special fund under this section and as specified in § 5-903(a)(2)(i)1A of the Natural Resources Article, for State land acquisition, or to the Agricultural Land~~

~~Preservation Fund to the extent any debt service is attributable to that Fund, shall be reduced by an amount equal to the debt service for the fiscal year.~~

~~14-820.~~

(a) ~~(1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SECTION, THE collector shall deliver to the purchaser a certificate of sale under the collector's hand and seal, or by the collector's authorized facsimile signature, acknowledged by the collector as a conveyance of land[, which].~~

~~(2) (I) THE COLLECTOR MAY NOT DELIVER A CERTIFICATE OF SALE TO THE PURCHASER UNTIL THE PURCHASER HAS PAID A FEE TO THE COLLECTOR OF \$25 FOR EACH CERTIFICATE ISSUED BY THE COLLECTOR.~~

~~(II) THE FEE IMPOSED UNDER THIS PARAGRAPH SHALL BE CREDITED TO THE HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14-891 OF THIS SUBTITLE.~~

~~(3) THE certificate OF SALE shall set forth:~~

~~[(1)] (I) that the property described in it was sold by the collector to the purchaser;~~

~~[(2)] (II) the date of the sale;~~

~~[(3)] (III) the amount for which the property was sold;~~

~~[(4)] (IV) the total amount of taxes due on the property at the time of sale together with interest, penalties and expenses incurred in making the sale;~~

~~[(5)] (V) a description of the property in substantially the same form as the description appearing on the collector's tax roll. If the property is unimproved or has no street number, and the collector has procured a description of the property from the county or municipal corporation surveyor, this description shall be included in the certificate of sale. In Garrett County a copy of the description as required by § 14-813(f) of this subtitle, as that section relates specifically to Garrett County, shall be included in the certificate of sale;~~

~~[(6)] (VI) a statement that the rate of redemption is 6% a year, except as provided in subsection (b) of this section;~~

~~[(7)] (VII) the time when an action to foreclose the right of redemption may be instituted; and~~

~~[(8) (i)] (VIII) 1. that the certificate will be void unless foreclosure proceedings are brought within 2 years from the date of the certificate; or~~

~~[(ii)] 2. that, unless foreclosure proceedings are brought within 2 months from the date of the certificate to any abandoned property in Baltimore City sold under § 14-817(e)(1) of this subtitle with a minimum bid less than the lien amount, the certificate:~~

~~[1.] A. is void as to a private purchaser; and~~

~~[2.] B. reverts to the Mayor and City Council for a period of 2 years from the date of the tax sale.~~

14-891.

(A) IN THIS SECTION, "FUND" MEANS THE HOMEOWNER PROTECTION FUND.

(B) THERE IS A HOMEOWNER PROTECTION FUND.

(C) THE PURPOSE OF THE FUND IS TO FINANCE THE ~~HOMEOWNER PROTECTION~~ PROGRAM.

(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

(1) TAX AND INTEREST PAYMENTS MADE TO THE DEPARTMENT BY HOMEOWNERS ENROLLED IN THE PROGRAM;

~~(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 13-209(A)(3) OF THIS ARTICLE AND § 14-820(A)(2) OF THIS SUBTITLE;~~

~~(2) TAX AND INTEREST PAYMENTS MADE TO THE DEPARTMENT BY HOMEOWNERS ENROLLED IN THE HOMEOWNER PROTECTION PROGRAM;~~

~~(3) (1) (2)~~ MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

~~(4)~~ ~~(2)~~ (3) INTEREST EARNINGS; AND

~~(5)~~ ~~(3)~~ (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) FOR EACH OF FISCAL YEARS 2023, 2024, AND 2025, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$750,000 TO THE FUND.

~~(G)~~ (H) (1) THE FUND MAY BE USED ONLY FOR ANY EXPENSES ASSOCIATED WITH THE ~~HOMEOWNER PROTECTION~~ PROGRAM.

(2) THE FUND MAY NOT BE USED FOR ANY EXPENSES OF THE OFFICE OF THE STATE TAX SALE OMBUDSMAN THAT ARE NOT DIRECTLY RELATED TO THE PROGRAM.

~~(H)~~ (I) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

~~(I)~~ (J) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

~~(J)~~ (K) THE FUND IS THE EXCLUSIVE SOURCE OF FUNDING FOR THE ~~HOMEOWNER PROTECTION~~ PROGRAM.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

127. the Michael Erin Busch Sports Fund; [and]

128. the Coordinated Community Supports Partnership Fund;

AND

129. THE HOMEOWNER PROTECTION FUND.

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That on or before June 30, ~~2021~~ 2022, the Department of Assessments and Taxation shall determine the maximum number of homeowners who may be enrolled in the Program in the ~~2022~~ 2023 fiscal year based on the amount of funding ~~estimated~~ expected to be available for the Program in the Homeowner Protection Fund established under § 14-891 of the Tax – Property Article as enacted by Section ~~2~~ 1 of this Act.

SECTION ~~4~~ 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect ~~January~~ July 1, 2022.

~~SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2021.~~

SECTION ~~6~~ 4. AND BE IT FURTHER ENACTED, That, except as provided in ~~Sections 4 and 5~~ Section 3 of this Act, this Act shall take effect June 1, ~~2021~~ 2022.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.