

SENATE BILL 766

Q2

3lr2091
CF HB 867

By: Senator Carter (By Request – Baltimore City Administration)

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 Baltimore City – Collection of Unpaid Property Taxes

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore City to establish
4 an installment payment program for taxes in arrears on residential property;
5 authorizing the Mayor of Baltimore City to cancel the annual tax sale; authorizing
6 the Mayor and City Council of Baltimore City to establish a program to divert
7 residential property from the private tax lien sale process into an alternative
8 program for the payment of taxes in arrears; authorizing the collector of taxes in
9 Baltimore City to withhold any residential property from tax sale; authorizing
10 Baltimore City to conduct a judicial in rem foreclosure and sale of residential
11 property on which the taxes are in arrears under certain circumstances; establishing
12 procedures for an in rem foreclosure and sale; and generally relating to the collection
13 of unpaid property taxes in Baltimore City.

14 BY adding to

15 Article – Tax – Property

16 Section 10–209 and 14–811(b)(4); and 14–894 to be under the new part “Part VIII.

17 Baltimore City Judicial In Rem Tax Foreclosure for Residential Property”

18 Annotated Code of Maryland

19 (2019 Replacement Volume and 2022 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article – Tax – Property

22 Section 14–801(d)

23 Annotated Code of Maryland

24 (2019 Replacement Volume and 2022 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Tax – Property

27 Section 14–808(a)

28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2019 Replacement Volume and 2022 Supplement)

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

3 That the Laws of Maryland read as follows:

4 **Article – Tax – Property**

5 **10–209.**

6 **(A) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY, BY LAW,**
7 **ESTABLISH AN INSTALLMENT PAYMENT PROGRAM FOR TAXES IN ARREARS ON ANY**
8 **RESIDENTIAL PROPERTY IN WHICH ANY PERSON WITH AN INTEREST IN THE**
9 **PROPERTY MAY ENROLL, INCLUDING A LESSEE OR A PERSON WHO STANDS TO**
10 **INHERIT THE PROPERTY FROM THE PERSON WHO LAST APPEARS AS OWNER OF THE**
11 **PROPERTY ON THE COLLECTOR'S TAX ROLL.**

12 **(B) ANY FEE OR CHARGE OF ANY KIND THAT IS INCLUDED ON A BALTIMORE**
13 **CITY PROPERTY TAX BILL MAY BE PAID THROUGH THE INSTALLMENT PAYMENT**
14 **PROGRAM AUTHORIZED UNDER SUBSECTION (A) OF THIS SUBSECTION.**

15 **(C) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY PROVIDE, BY**
16 **LAW, FOR:**

17 **(1) ANY ADDITIONAL ELIGIBILITY CRITERIA FOR AN INSTALLMENT**
18 **PAYMENT PROGRAM UNDER THIS SECTION;**

19 **(2) THE PROCESS FOR ENROLLING IN AN INSTALLMENT PAYMENT**
20 **PROGRAM;**

21 **(3) THE FREQUENCY AND DUE DATES OF INSTALLMENT PAYMENTS;**
22 **AND**

23 **(4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS SECTION.**

24 **(D) IF THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY ESTABLISH AN**
25 **INSTALLMENT PAYMENT PROGRAM UNDER SUBSECTION (A) OF THIS SECTION,**
26 **BALTIMORE CITY SHALL ARRANGE FOR THE PAYMENT TO THE STATE OF ANY STATE**
27 **PROPERTY TAXES IN ARREARS ON A PROPERTY ENROLLED IN THE PROGRAM.**

28 **14–801.**

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

(2) "Tax" includes interest, penalties, and service charges.

2 14-808.

13 (3) (i) THE MAYOR OF BALTIMORE CITY MAY CANCEL THE
14 ANNUAL TAX SALE.

27 14-811

28 (b) (4) IN BALTIMORE CITY, THE COLLECTOR MAY WITHHOLD FROM
29 SALE ANY RESIDENTIAL PROPERTY

30 14-892, RESERVED.

31 14-893 RESERVED

1 **PART VIII. BALTIMORE CITY JUDICIAL IN REM TAX FORECLOSURE FOR**
2 **RESIDENTIAL PROPERTY.**

3 **14-894.**

4 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
5 **INDICATED.**

6 **(2) "INTERESTED PARTY" MEANS:**

7 **(I) THE PERSON WHO LAST APPEARS AS OWNER OF THE**
8 **PROPERTY ON THE COLLECTOR'S TAX ROLL;**

9 **(II) A MORTGAGEE OF THE PROPERTY OR ASSIGNEE OF A**
10 **MORTGAGE OF RECORD;**

11 **(III) A HOLDER OF A BENEFICIAL INTEREST IN A DEED OF TRUST**
12 **RECORDED AGAINST THE PROPERTY;**

13 **(IV) A TAXING AGENCY THAT HAS THE AUTHORITY TO COLLECT**
14 **TAX ON THE PROPERTY; OR**

15 **(V) ANY PERSON HAVING AN INTEREST IN THE PROPERTY**
16 **WHOSE IDENTITY AND ADDRESS ARE:**

17 **1. REASONABLY ASCERTAINABLE FROM THE COUNTY**
18 **LAND RECORDS; OR**

19 **2. REVEALED BY A FULL TITLE SEARCH CONSISTING OF**
20 **AT LEAST 50 YEARS.**

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

22 **(B) BALTIMORE CITY MAY CONDUCT AN IN REM FORECLOSURE AND SALE**
23 **OF RESIDENTIAL PROPERTY ON WHICH THE TAXES ARE IN ARREARS IN ACCORDANCE**
24 **WITH THIS SECTION.**

25 **(C) BALTIMORE CITY MAY FORECLOSE ON AND SELL A RESIDENTIAL**
26 **PROPERTY ON WHICH THE TAXES ARE IN ARREARS UNDER THIS SECTION ONLY IF:**

27 **(1) AT LEAST 3 YEARS HAVE ELAPSED SINCE BALTIMORE CITY FIRST**
28 **BEGAN MAKING DOCUMENTED ATTEMPTS TO CONTACT THE PROPERTY OWNER TO**

1 **1 OFFER ASSISTANCE WITH PAYING THE TAXES IN ARREARS;**

2 **(2) BALTIMORE CITY HAS MADE AT LEAST TEN ATTEMPTS TO**
3 **CONTACT THE PROPERTY OWNER TO OFFER ASSISTANCE WITH PAYING THE TAXES**
4 **IN ARREARS; AND**

5 **(3) THERE HAS BEEN NO ACTIVE PAYMENT PLAN FOR THE PAYMENT**
6 **OF THE TAXES IN ARREARS ON THE PROPERTY FOR AT LEAST THE PRECEDING 12**
7 **MONTHS.**

8 **(D) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY MAY ESTABLISH:**

9 **(1) OBJECTIVE CRITERIA FOR WITHHOLDING RESIDENTIAL**
10 **PROPERTIES FROM FORECLOSURE AND SALE UNDER THIS SECTION; AND**

11 **(2) A PROCESS BY WHICH A PROPERTY OWNER MAY APPEAL THE**
12 **INCLUSION OF THE PROPERTY OWNER'S PROPERTY IN A FORECLOSURE AND SALE**
13 **UNDER THIS SECTION.**

14 **(E) TO INITIATE AN IN REM FORECLOSURE ACTION, BALTIMORE CITY**
15 **SHALL:**

16 **(1) FILE A COMPLAINT FOR AN IN REM FORECLOSURE IN THE CIRCUIT**
17 **COURT FOR BALTIMORE CITY; AND**

18 **(2) SERVE THE COMPLAINT TO EACH INTERESTED PARTY IN**
19 **ACCORDANCE WITH THE MARYLAND RULES.**

20 **(F) ALL TAXES SHALL:**

21 **(1) BE INCLUDED IN THE FORECLOSURE ACTION; AND**

22 **(2) CEASE TO BE A LIEN AGAINST THE PROPERTY IF A JUDGMENT IS**
23 **ENTERED FORECLOSING THE EXISTING INTERESTS OF ALL INTERESTED PARTIES IN**
24 **THE PROPERTY.**

25 **(G) THE COMPLAINT FOR AN IN REM FORECLOSURE SHALL INCLUDE:**

26 **(1) THE NAME AND ADDRESS OF THE APPROPRIATE AGENCY OF**
27 **BALTIMORE CITY;**

28 **(2) A DESCRIPTION OF THE PROPERTY AS IT APPEARS IN THE COUNTY**
29 **LAND RECORDS;**

(3) THE TAX IDENTIFICATION NUMBER OF THE PROPERTY;

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

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

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

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

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

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

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

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

27 (L) IF THE CIRCUIT COURT FINDS THAT THE COMPLAINT WAS SERVED ON
28 EACH INTERESTED PARTY AND THAT THE INFORMATION SET FORTH IN THE
29 COMPLAINT IS ACCURATE, THE COURT SHALL:

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

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

2 (M) (1) AFTER ENTRY OF JUDGMENT UNDER SUBSECTION (L) OF THIS
3 SECTION, BALTIMORE CITY SHALL SELL THE PROPERTY AT PUBLIC AUCTION IN
4 ACCORDANCE WITH THE MARYLAND RULES.

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

10 (o) (1) THE PROPERTY SHALL BE SOLD TO THE PERSON MAKING THE
11 HIGHEST BID.

12 (2) THE PERSON MAKING THE HIGHEST BID SHALL PAY THE FULL BID
13 AMOUNT TO BALTIMORE CITY.

16 (P) (1) BALTIMORE CITY SHALL DEPOSIT ANY AMOUNT BY WHICH THE
17 HIGHEST BID EXCEEDS THE AMOUNT OF TAXES DUE ON THE PROPERTY IN AN
18 ESCROW ACCOUNT.

22 (Q) AFTER A SALE, BALTIMORE CITY SHALL FILE A NOTICE INFORMING THE
23 CIRCUIT COURT OF THE SALE AND STATING THE DATE OF THE SALE, THE SALE
24 PRICE, AND THE IDENTITY OF THE PURCHASER.

25 (R) A SALE OF A PROPERTY UNDER THIS SECTION IS FINAL AND BINDING ON
26 THE MAKER OF THE HIGHEST BID.

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

3 (I) ALL PERSONS, KNOWN AND UNKNOWN, WHO WERE PARTIES
4 TO THE ACTION AND WHO HAD A CLAIM TO THE PROPERTY, WHETHER PRESENT OR
5 FUTURE, VESTED OR CONTINGENT, LEGAL OR EQUITABLE, OR SEVERAL OR
6 UNDIVIDED; AND

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2023.