

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 83
Ways and Means

(Delegate Atterbeary)

Property Tax - Tax Sales - Redemption

This bill requires a tax collector to make at least one attempt to contact the holder of a certificate of sale by phone and email, after an owner of property sold at a tax sale informs the tax collector that the plaintiff or holder of the certificate of sale has failed to respond to a request for the amount of expenses included in the redemption amount. If the plaintiff or holder of the certificate of sale fails to respond within five business days, the tax collector may redeem the property without a satisfaction letter stating that the expenses of the plaintiff or the holder of a certificate of sale have been paid.

Fiscal Summary

State Effect: The bill does not directly affect State finances.

Local Effect: The bill is not anticipated to materially affect local government finances.

Small Business Effect: Minimal.

Analysis

Current Law: An owner or other person that has an estate or interest in property sold by a tax collector may redeem the property at any time until the right of redemption has been finally foreclosed. The person redeeming the property must pay the collector (1) the total lien amount paid at the tax sale for the property together with interest; (2) any taxes, interest, and penalties paid by any holder of the certificate of sale; (3) except if the property is owner-occupied residential property in Baltimore City, any delinquent taxes, interest, and penalties accruing after the date of the tax sale; and (4) in the manner and by the terms required by the collector, any expenses or fees for which the plaintiff or the holder of a

certificate of sale is entitled to reimbursement. Statute specifies the various expenses or fees which the plaintiff or holder of a certificate of sale may be reimbursed for, specifically those incurred in any action or in preparation for any action to foreclose the right of redemption.

If an action to foreclose the right of redemption has not been filed, and the property is redeemed more than four months after the date of the tax sale, the holder of a certificate of sale may be reimbursed for the following expenses actually incurred: (1) the cost of recording the certificate of sale; (2) a title search fee up to \$250; (3) the postage and certified mail costs for sending required notices; and (4) reasonable attorney's fees up to \$500.

In general, the plaintiff or holder of a certificate of sale may not be reimbursed for expenses incurred within four months after the date of sale.

In Baltimore City, for owner-occupied residential property, the above-described statutory periods are seven months instead of four months.

In general, any time after six months from the date of sale, a holder of a certificate of sale may file a complaint to foreclose the right of redemption; however, for owner-occupied residential property in Baltimore City, that time period is nine months instead of six months. Statute specifies additional expenses and fees that the plaintiff or holder of a certificate of sale may be reimbursed for if an action to foreclose the right of redemption has been filed.

Additional Comments: Descriptions of the tax sale process and related subjects are included on the Office of the State Tax Sale Ombudsman [webpage](#) on the State Department of Assessment and Taxation's website, along with the office's most recent annual report, which contains data on tax sales in the State. The office was established in 2020 pursuant to Chapter 730 of 2019.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore City; Kent, Montgomery, and Worcester counties; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - January 23, 2023
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