

Chapter 79

(House Bill 779)

AN ACT concerning

Tax Sales – Revisions

FOR the purpose of authorizing the governing body of a county or municipal corporation to file a motion with a court to request that a certain certificate of sale be assigned to the governing body of the county or municipal corporation in a certain foreclosure action under certain circumstances; providing that, on a grant of the motion by the court, the holder of the certificate of sale forfeits certain rights and the amount paid to acquire the certificate of sale; authorizing a court, under certain circumstances, to strike the final judgment in a tax sale action foreclosing the right of redemption in a property and grant the governing body of a county or municipal corporation the right to pay the balance of the purchase price due on the property; requiring a court to direct a tax collector to execute a deed to the governing body of a county or municipal corporation on payment by the governing body of the purchase price due on the property; requiring the governing body of a county or municipal corporation to take title to the property in a certain manner; authorizing a county or municipal corporation to withhold a property from tax sale if the county or municipal corporation intends to demolish a vacant and blighted building or structure on the property; requiring the collector of taxes to deliver a certificate of sale to the governing body of a county or municipal corporation for each property withheld from sale by the county or municipal corporation under certain provisions of law; applying certain provisions of this Act retroactively; and generally relating to tax sales.

BY adding to

Article – Tax – Property
Section 14–820.1 and 14–821(c)
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property
Section 14–811(c) and 14–847
Annotated Code of Maryland
(2019 Replacement Volume and 2022 Supplement)

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

Article – Tax – Property

14–821.

(C) (1) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY FILE A MOTION WITH THE COURT REQUESTING THAT A CERTIFICATE OF SALE BE ASSIGNED TO THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IF:

(I) A FORECLOSURE ACTION HAS BEEN INITIATED BY THE HOLDER OF THE CERTIFICATE OF SALE IN ACCORDANCE WITH THIS SUBTITLE; AND

(II) THE FORECLOSURE ACTION IS SUBJECT TO DISMISSAL FOR A LACK OF PROSECUTION UNDER MARYLAND RULE 2-507 OR A MOTION FOR THE ENTRY OF A FINAL ORDER HAS NOT BEEN FILED IN THE FORECLOSURE ACTION WITHIN 18 MONTHS AFTER THE FILING OF THE COMPLAINT, WHICHEVER IS EARLIER.

(2) ON THE FILING OF A MOTION UNDER THIS SUBSECTION, THE COURT SHALL DIRECT THE HOLDER OF THE CERTIFICATE OF SALE TO SHOW GOOD CAUSE AS TO WHY THE COURT SHOULD NOT GRANT THE MOTION.

(3) IF THE HOLDER OF THE CERTIFICATE OF SALE FAILS TO RESPOND TO THE MOTION IN ACCORDANCE WITH THE MARYLAND RULES, THE COURT SHALL GRANT THE MOTION.

(4) IF A COURT GRANTS A MOTION UNDER THIS SUBSECTION, THE HOLDER OF THE CERTIFICATE OF SALE SHALL FORFEIT:

(I) ANY RIGHTS UNDER THE CERTIFICATE OF SALE; AND

(II) THE AMOUNT PAID TO ACQUIRE THE CERTIFICATE OF SALE.

14-847.

(a) (1) (I) Except as provided in paragraph (2) of this subsection, the judgment of the court shall direct the collector to execute a deed to the holder of the certificate of sale in fee simple or in leasehold, as appropriate, on payment to the collector of the balance of the purchase price, due on account of the purchase price of the property, together with all taxes and interest and penalties on the property that accrue after the date of sale.

(II) The judgment shall direct the supervisor to enroll the holder of the certificate of sale in fee simple or in leasehold, as appropriate, as the owner of the property.

(2) In Frederick County, if the collector is absent, the deed may be executed by a deputy collector designated by the collector.

(b) The deed shall be prepared by the holder of the certificate of sale or the attorney for the holder of the certificate of sale and all expenses incident to the preparation and execution of the deed shall be paid by the holder of the certificate of sale.

(c) The clerk of the court in which the suit is instituted shall issue a certified copy of the judgment of the court to the collector and supervisor and the collector is not obligated to execute the deed provided for in this section until that certified copy of the judgment is delivered to the collector.

(d) (1) If the holder of the certificate of sale does not comply with the terms of the final judgment of the court within 90 days as to payments to the collector of the balance of the purchase price due on account of the purchase price of the property and of all taxes, interest, and penalties that accrue after the date of sale, that judgment may be stricken by the court on the motion of an interested party for good cause shown.

(2) In Baltimore City, a certificate holder who has been enrolled as the owner of the property under subsection (a) of this section is not an interested party within the meaning of this subsection.

(3) IF THE HOLDER OF THE CERTIFICATE OF SALE DOES NOT COMPLY WITH THE TERMS OF THE FINAL JUDGMENT OF THE COURT WITHIN ~~90~~ 105 DAYS AS TO PAYMENTS TO THE COLLECTOR OF THE BALANCE OF THE PURCHASE PRICE DUE ON ACCOUNT OF THE PURCHASE PRICE OF THE PROPERTY AND OF ALL TAXES, INTEREST, AND PENALTIES THAT ACCRUE AFTER THE DATE OF SALE, AND NO MOTION HAS BEEN FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COURT MAY, ON MOTION OF THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH THE PROPERTY IS LOCATED, FOR GOOD CAUSE SHOWN, ENTER A JUDGMENT:

(I) STRIKING THE FINAL JUDGMENT OF THE COURT;

(II) DIRECTING THE COLLECTOR TO EXECUTE A DEED PREPARED BY THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN FEE SIMPLE, ON PAYMENT TO THE COLLECTOR OF THE BALANCE OF THE PURCHASE PRICE DUE ON ACCOUNT OF THE PURCHASE PRICE OF THE PROPERTY AND OF ALL TAXES, INTEREST, AND PENALTIES THAT ACCRUE AFTER THE DATE OF SALE; AND

(III) VESTING TITLE TO THE PROPERTY IN THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION IN FEE SIMPLE, FREE AND CLEAR OF ALL ALIENATIONS AND DESCENTS OF THE PROPERTY OCCURRING BEFORE THE DATE OF THE FINAL JUDGMENT AND ENCUMBRANCES ON THE PROPERTY, EXCEPT ANY TAXES THAT ACCRUE AFTER THE DATE OF SALE AND EASEMENTS OF RECORD

AND ANY OTHER EASEMENT THAT MAY BE OBSERVED BY AN INSPECTION OF THE PROPERTY TO WHICH THE PROPERTY IS SUBJECT.

(4) IF A HOLDER OF A CERTIFICATE OF SALE SUBMITS A DEED UNDER SUBSECTION (B) OF THIS SECTION FOR THE PROPERTY TO THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION BEFORE A JUDGMENT UNDER PARAGRAPH (1) OR (3) OF THIS SUBSECTION IS ENTERED, THE MOTION UNDER PARAGRAPH (1) OR (3) OF THIS SUBSECTION SHALL BE DENIED AS MOOT.

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

Article – Tax – Property

14–811.

(c) Except as provided in subsection (d) of this section, the governing body of a county or municipal corporation may withhold from sale property that:

(1) HAS A VACANT BUILDING OR STRUCTURE THAT THE COUNTY OR MUNICIPAL CORPORATION INTENDS TO DEMOLISH BECAUSE THE BUILDING OR STRUCTURE IS UNSAFE OR UNFIT FOR HABITATION; OR

(2) has been designated for redevelopment purposes if:

[(1)] (I) the county or municipal corporation certifies that the property:

[(i)] 1. is a vacant lot; or

[(ii)] 2. has a building or structure that is:

[1.] A. vacant; and

[2.] B. unsafe or unfit for habitation;

[(2)] (II) the governing body of the county or municipal corporation finds that withholding the property from sale under this subsection is necessary:

[(i)] 1. to eliminate a blighting influence; and

[(ii)] 2. to prevent the tax abandonment of the property; and

[(3)] (III) the property meets any additional objective criteria established by the governing body of the county or municipal corporation for withholding property from sale for redevelopment purposes.

14-820.1.

THE COLLECTOR SHALL DELIVER A CERTIFICATE OF SALE TO THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION FOR EACH PROPERTY WITHHELD FROM SALE BY THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION UNDER § 14-811(C) OF THIS SUBTITLE.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect tax sale actions foreclosing the right of redemption in properties that are pending on enactment of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023.

Approved by the Governor, April 11, 2023.