

HOUSE BILL 852

Q1

1lr2576

By: **Delegate Kaiser**

Introduced and read first time: January 29, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Tax Sales – Homeowner Protection Program**

3 FOR the purpose of requiring the collector to withhold from sale the dwelling of a
4 homeowner who is enrolled in the Homeowner Protection Program; requiring a
5 certain insert included in a certain notice mailed to certain owners of property on
6 which the taxes are in arrears to include certain information about the Program;
7 establishing the Homeowner Protection Program in the Department of Assessments
8 and Taxation; providing that the purpose of the Program is to divert vulnerable
9 homeowners from the private tax lien sale process into an alternative program with
10 certain purposes; establishing certain eligibility requirements for the Program;
11 authorizing the Department to establish additional eligibility requirements for the
12 Program; requiring the Department to establish certain processes to give priority to
13 certain homeowners for enrollment in the Program and to ensure that homeowners
14 are enrolled in the Program who reside in each county in the State; requiring the
15 Department to determine the maximum number of homeowners who may be enrolled
16 in the Program in the next succeeding fiscal year on or before a certain date each
17 year; providing that the number of homeowners enrolled in the Program may not
18 exceed the maximum number determined by the Department; requiring a
19 homeowner to submit an application to the Department to be enrolled in the
20 Program; authorizing a homeowner to submit an application by certain methods;
21 requiring the State Tax Sale Ombudsman to take certain actions to raise awareness
22 of the Program and disseminate applications; requiring the Department and the
23 county to take certain actions if a homeowner is first enrolled in the Program before
24 the lien on the homeowner's dwelling is sold at tax sale; requiring the Department
25 to take certain actions if a homeowner is first enrolled in the Program after the lien
26 on the homeowner's dwelling is sold at tax sale; requiring the Department and the
27 county to take certain actions after a homeowner is enrolled in the Program;
28 specifying to whom a homeowner's tax debt is owed after the lien on the homeowner's
29 dwelling is sold to the Department; requiring the Ombudsman to make certain
30 efforts to assist homeowners; requiring the Ombudsman to communicate with
31 homeowners in a certain manner; authorizing the Ombudsman to take certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 actions to assist a homeowner; authorizing the Ombudsman to forgive all or part of
2 the tax debt owed by a homeowner under certain circumstances; authorizing the
3 Department to charge interest not exceeding a certain rate on unpaid taxes owed to
4 the Department; authorizing the Ombudsman to set a lower interest rate or waive
5 interest; prohibiting the Department from imposing certain additional fees or costs
6 on a homeowner; authorizing the Department to conduct an in rem foreclosure and
7 sale of dwelling of a homeowner under certain circumstances; requiring the
8 Department to take certain actions to initiate an in rem foreclosure action; requiring
9 all taxes to be included in the foreclosure action and cease to be a lien on the dwelling
10 under certain circumstances; requiring a complaint for an in rem foreclosure to
11 include certain information; authorizing a complaint for an in rem foreclosure to be
12 amended in a certain manner; authorizing an interested party to cure the delinquent
13 taxes on a dwelling; providing for the timing and conduct of a hearing on an in rem
14 foreclosure; requiring the court to enter a certain judgment and order the dwelling
15 to be sold at public auction if the court makes certain findings; requiring the
16 Department to sell a dwelling at public auction at a certain time and in a certain
17 manner; requiring the Department to deposit certain funds in an escrow account and
18 requiring the court to distribute the funds in a certain manner; requiring the
19 Department to file a certain notice to the court after a sale; providing that the sale
20 of a dwelling is final and binding on the maker of the highest bid; requiring the title
21 acquired in an in rem foreclosure proceeding to be of a certain nature; providing that
22 a judgment in an in rem foreclosure is binding and conclusive on certain persons;
23 altering the transfer tax rate applicable to certain instruments of writing; requiring
24 that certain transfer tax revenue be distributed to the Homeowner Protection Fund;
25 prohibiting the collector from delivering a certificate of sale to the purchaser of a
26 property at tax sale until the purchaser has paid a certain fee to the collector;
27 requiring the fee to be credited to the Homeowner Protection Fund; establishing the
28 Homeowner Protection Fund as a special, nonlapsing fund; specifying the purpose of
29 the Fund; requiring the Department to administer the Fund; requiring the State
30 Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying
31 the contents of the Fund; specifying the purpose for which the Fund may be used;
32 providing for the investment of money in and expenditures from the Fund; requiring
33 interest earnings of the Fund to be credited to the Fund; requiring that the Fund be
34 the exclusive source of funding for the Program; prohibiting county governments
35 from being required to pay any costs of the Program; exempting the Fund from a
36 certain provision of law requiring interest earnings on State money to accrue to the
37 General Fund of the State; requiring the Department to determine the maximum
38 number of homeowners who may be enrolled in the Program in a certain fiscal year
39 on or before a certain date; providing for the effective dates of this Act; providing for
40 a delayed effective date for certain provisions of this Act; defining certain terms; and
41 generally relating to a Homeowner Protection Program for homeowners in tax sales.

42 BY adding to

43 Article – Tax – Property

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

46 Annotated Code of Maryland

1 (2019 Replacement Volume and 2020 Supplement)

2 BY repealing and reenacting, without amendments,
 3 Article – Tax – Property
 4 Section 14–812(a)
 5 Annotated Code of Maryland
 6 (2019 Replacement Volume and 2020 Supplement)

7 BY repealing and reenacting, without amendments,
 8 Article – State Finance and Procurement
 9 Section 6–226(a)(2)(i)
 10 Annotated Code of Maryland
 11 (2015 Replacement Volume and 2020 Supplement)

12 BY repealing and reenacting, with amendments,
 13 Article – State Finance and Procurement
 14 Section 6–226(a)(2)(ii)122. and 123.
 15 Annotated Code of Maryland
 16 (2015 Replacement Volume and 2020 Supplement)

17 BY adding to
 18 Article – State Finance and Procurement
 19 Section 6–226(a)(2)(ii)124.
 20 Annotated Code of Maryland
 21 (2015 Replacement Volume and 2020 Supplement)

22 BY repealing and reenacting, with amendments,
 23 Article – Tax – Property
 24 Section 13–203(a)(1), 13–209(a), 14–812(b), and 14–820(a)
 25 Annotated Code of Maryland
 26 (2019 Replacement Volume and 2020 Supplement)

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

29 **Article – Tax – Property**

30 14–811.

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

34 14–812.

35 (a) (1) At least 30 days before any property is first advertised for sale under
 36 this subtitle, the collector shall have mailed to the person who last appears as owner of the

1 property on the collector's tax roll, at the last address shown on the tax roll, a statement
2 giving the name of the person, and the amounts of taxes due.

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

5 "Date"

6 "This Is a Final Bill and Legal Notice to the Person Whose Name Appears on This
7 Notice."

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

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

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

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

20 (3) a statement that the State Tax Sale Ombudsman established under §
21 2-112 of this article or the County Tax Sale Ombudsman, if applicable, is available to:

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

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

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

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

29 (i) the Homeowner's HOPE Hotline; or

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

32 (6) the following information concerning the homeowners' property tax

1 credit under § 9–104 of this article:

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

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

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

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

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

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

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

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

26 **[(8)] (9)** any other information that may assist low–income homeowners
27 in avoiding tax sale costs or foreclosure that the collector considers appropriate.

28 **14–881. RESERVED.**

29 **14–882. RESERVED.**

30 **PART VII. HOMEOWNER PROTECTION PROGRAM.**

31 **14–883.**

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

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

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

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

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

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

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

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

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

16 14-884.

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

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

22 (1) MINIMIZING TAX COLLECTION COSTS TO HOMEOWNERS;

23 (2) ASSISTING HOMEOWNERS TO PAY THEIR TAXES; AND

24 (3) ALLOWING HOMEOWNERS TO REMAIN IN THEIR HOMES.

25 14-885.

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

1 **(I) RESIDE IN A DWELLING THAT HAS AN ASSESSED VALUE OF**
2 **\$300,000 OR LESS; AND**

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

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

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

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

9 **(I) AT LEAST 60 YEARS OLD; OR**

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

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

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

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

23 **(E) COUNTY GOVERNMENTS MAY NOT BE REQUIRED TO PAY ANY COSTS OF**
24 **THE HOMEOWNER PROTECTION PROGRAM.**

25 **14-886.**

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

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

1 **(C) THE OMBUDSMAN SHALL:**

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

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

8 **14-887.**

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

11 **(1) THE DEPARTMENT SHALL PAY THE COUNTY THE FULL AMOUNT OF**
12 **THE TAX LIEN AND ASSUME EXCLUSIVE RESPONSIBILITY FOR COLLECTING THE**
13 **OUTSTANDING TAX DEBT; AND**

14 **(2) THE COUNTY SHALL WITHHOLD THE DWELLING FROM THE NEXT**
15 **TAX SALE.**

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

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

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

28 **(2) THE COUNTY SHALL WITHHOLD THE DWELLING FROM TAX SALE**
29 **DURING THE ENTIRE PERIOD THAT THE HOMEOWNER IS ENROLLED IN THE**
30 **PROGRAM.**

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

1 DEBT:

2 (1) IS OWED TO THE DEPARTMENT; AND

3 (2) IS NOT OWED TO ANY OTHER PERSON OR ENTITY.

4 14-888.

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

7 (1) DETERMINE WHY THE HOMEOWNER HAS NOT PAID THE TAXES
8 DUE; AND

9 (2) PROVIDE APPROPRIATE ASSISTANCE TO HELP THE HOMEOWNER
10 PAY THE TAXES DUE AND RETAIN THE DWELLING.

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

14 (1) EASY-TO-UNDERSTAND MAILINGS;

15 (2) PHONE CALLS;

16 (3) NOTICES POSTED ON THE DWELLING; AND

17 (4) WHEN NECESSARY OR APPROPRIATE, AN IN-PERSON VISIT.

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

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

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

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

27 14-889.

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

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

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

8 14-890.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (E) ALL TAXES SHALL:

14 (1) BE INCLUDED IN THE FORECLOSURE ACTION; AND

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

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

19 (1) THE NAME AND ADDRESS OF THE DEPARTMENT;

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

22 (3) THE TAX IDENTIFICATION NUMBER OF THE DWELLING;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (I) ALL PERSONS, KNOWN AND UNKNOWN, WHO WERE PARTIES
27 TO THE ACTION AND WHO HAD A CLAIM TO THE PROPERTY, WHETHER PRESENT OR
28 FUTURE, VESTED OR CONTINGENT, LEGAL OR EQUITABLE, OR SEVERAL OR
29 UNDIVIDED; AND

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

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

3 **Article – State Finance and Procurement**

4 6–226.

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

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

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

15 123. the Racing and Community Development Facilities Fund;
16 AND

17 **124. THE HOMEOWNER PROTECTION FUND.**

18 **Article – Tax – Property**

19 13–203.

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

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

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

26 13–209.

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

31 (2) The Department shall deduct the cost of administering the transfer tax

1 from the taxes collected under this title and credit those revenues to the fund established
2 under § 1–203.3 of the Corporations and Associations Article.

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

8 ~~[(3)]~~ **(4)** Except as provided in paragraph ~~[(4)]~~ **(5)** of this subsection, after
9 deducting the revenues required under paragraphs (1) ~~[and]~~, (2), **AND (3)** of this
10 subsection, the revenue from transfer tax is payable to the Comptroller for deposit in a
11 special fund.

12 ~~[(4)]~~ **(5)** In any fiscal year in which transfer tax revenue is used to pay
13 debt service on outstanding bonds under paragraph (1) of this subsection, the distribution
14 of revenues in the special fund under this section and as specified in § 5–903(a)(2)(i)1A of
15 the Natural Resources Article, for State land acquisition, or to the Agricultural Land
16 Preservation Fund to the extent any debt service is attributable to that Fund, shall be
17 reduced by an amount equal to the debt service for the fiscal year.

18 14–820.

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

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

26 **(II) THE FEE IMPOSED UNDER THIS PARAGRAPH SHALL BE**
27 **CREDITED TO THE HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14–891**
28 **OF THIS SUBTITLE.**

29 **(3) THE certificate OF SALE shall set forth:**

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

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

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

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

3 **(F) THE FUND CONSISTS OF:**

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

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

8 **(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

9 **(4) INTEREST EARNINGS; AND**

10 **(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
11 **THE BENEFIT OF THE FUND.**

12 **(G) THE FUND MAY BE USED ONLY FOR ANY EXPENSES ASSOCIATED WITH**
13 **THE HOMEOWNER PROTECTION PROGRAM.**

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

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

18 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
19 **WITH THE STATE BUDGET.**

20 **(J) THE FUND IS THE EXCLUSIVE SOURCE OF FUNDING FOR THE**
21 **HOMEOWNER PROTECTION PROGRAM.**

22 SECTION 3. AND BE IT FURTHER ENACTED, That on or before June 30, 2021,
23 the Department of Assessments and Taxation shall determine the maximum number of
24 homeowners who may be enrolled in the Program in the 2022 fiscal year based on the
25 amount of funding estimated to be available for the Program in the Homeowner Protection
26 Fund established under § 14-891 of the Tax – Property Article as enacted by Section 2 of
27 this Act.

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

30 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take

1 effect July 1, 2021.

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