

HOUSE BILL 83

Q2, Q1

3lr0864

(PRE-FILED)

By: **Delegate Atterbeary**

Requested: November 17, 2022

Introduced and read first time: January 11, 2023

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 14, 2023

CHAPTER _____

1 AN ACT concerning

2 **Property Tax – Tax Sales – Redemption**

3 FOR the purpose of requiring a tax collector to make certain attempts to contact a certain
4 plaintiff or holder of a certificate of sale regarding certain expenses; authorizing a
5 collector to redeem certain property without a certain satisfaction letter if a plaintiff
6 or holder of a certificate of sale fails to respond within a certain number of days after
7 certain attempts by the collector to make contact; and generally relating to tax sales
8 of property.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 14–843(a)
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2022 Supplement)

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

16 **Article – Tax – Property**

17 14–843.

18 (a) (1) Except as provided in subsection (b) of this section, on redemption, the
19 plaintiff or the holder of a certificate of sale may be reimbursed for expenses incurred in

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



any action or in preparation for any action to foreclose the right of redemption as provided in this section.

(2) The plaintiff or holder of a certificate of sale is not entitled to be reimbursed for any other expenses or attorney's fees that are not included in this section.

(3) (I) ~~AFTER AN OWNER OF PROPERTY SOLD AT TAX SALE INFORMS THE COLLECTOR THAT THE PLAINTIFF OR HOLDER OF A CERTIFICATE OF SALE HAS FAILED TO RESPOND TO A REQUEST FOR THE AMOUNT OF EXPENSES INCLUDED IN THE REDEMPTION AMOUNT AUTHORIZED UNDER THIS SECTION, THE~~ THE COLLECTOR SHALL MAKE AT LEAST ONE ATTEMPT BY PHONE AND E-MAIL TO CONTACT ~~THE~~ A HOLDER OF ~~THE~~ A CERTIFICATE OF SALE AFTER THE COLLECTOR IS INFORMED THAT THE PLAINTIFF OR THE HOLDER OF THE CERTIFICATE OF SALE HAS FAILED TO RESPOND TO A REQUEST FOR THE AMOUNT OF EXPENSES INCLUDED IN THE REDEMPTION AMOUNT AUTHORIZED UNDER THIS SECTION THAT IS MADE BY THE:

1. OWNER OF THE PROPERTY;

2. CURRENT MORTGAGEE OF THE PROPERTY, ASSIGNEE OF A MORTGAGEE OF RECORD, OR SERVICER OF THE CURRENT MORTGAGE; OR

3. CURRENT HOLDER OF A BENEFICIAL INTEREST IN A DEED OF TRUST RECORDED AGAINST THE PROPERTY.

(II) IF THE PLAINTIFF OR HOLDER OF THE CERTIFICATE OF SALE FAILS TO RESPOND WITHIN 5 BUSINESS DAYS AFTER THE COLLECTOR'S ATTEMPTS TO MAKE CONTACT IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE 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.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, if an action to foreclose the right of redemption has not been filed, and the property is redeemed more than 4 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. costs for recording the certificate of sale;

2. a title search fee, not to exceed \$250;

3. the postage and certified mailing costs for the notices required under § 14-833(a-1) of this subtitle; and

4. reasonable attorney's fees, not to exceed \$500.

(ii) In Baltimore City, for owner-occupied residential property, if an action to foreclose the right of redemption has not been filed, and the property is redeemed more than 7 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. costs for recording the certificate of sale;
2. a title search fee, not to exceed \$250;
3. the postage and certified mailing costs for the notices required under § 14-833(a-1) of this subtitle; and
4. reasonable attorney's fees, not to exceed \$500.

[(4)] (5) If an action to foreclose the right of redemption has been filed, the plaintiff or holder of a certificate of sale may be reimbursed for:

- (i) attorney's fees in the amount of:
1. \$1,300 if an affidavit of compliance has not been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption; or
 2. \$1,500 if an affidavit of compliance has been filed, which amount shall be deemed reasonable for both the preparation and filing of the action to foreclose the right of redemption;
- (ii) reasonable attorney's fees, not to exceed \$1,200, incurred by the plaintiff or holder of a certificate of sale for opening an estate for purposes of service of process and notice on a defendant's estate;
- (iii) in exceptional circumstances, other reasonable attorney's fees incurred and specifically requested by the plaintiff or holder of a certificate of sale and approved by the court, on a case by case basis; and
- (iv) if the plaintiff or holder of a certificate of sale provides a signed affidavit attesting to the fact that the expenses were actually incurred, the following expenses actually incurred by the plaintiff or holder of a certificate of sale:

1. filing fee charged by the circuit court for the county in which the property is located;
2. service of process fee, including fees incurred attempting to serve process;
3. a title search fee, not to exceed \$250;

1 4. if a second title search is conducted more than 6 months
2 after the initial title search, a title search update fee, not to exceed \$75;

3 5. publication fee charged by a newspaper of general
4 circulation in the county in which the property is located;

5 6. posting fee;

6 7. postage and certified mail;

7 8. substantial repair order fee, not to exceed the fee charged
8 by the government agency issuing the certificate of substantial repair;

9 9. expenses and costs incurred for opening an estate of a
10 deceased defendant for purposes of service of process and notice, not to exceed \$1,200; and

11 10. any court approved expense for stabilization or conversion
12 of the property under § 14–830 of this subtitle or in accordance with an action taken against
13 the property by the county in which the property is located in accordance with the
14 applicable building, fire, health, or safety codes.

15 **[(5)] (6)** In addition to the expenses and attorney's fees under paragraph
16 **[(3) or] (4) OR (5)** of this subsection, the plaintiff or holder of a certificate of sale may be
17 reimbursed for:

18 (i) taxes paid at the tax sale, together with redemption interest,
19 arising after the date of sale to the date of redemption;

20 (ii) the high bid premium paid at the tax sale, if applicable; and

21 (iii) in Baltimore City only, taxes, interest, and penalties paid in
22 accordance with subsection (c) of this section and interest at the rate of redemption
23 provided in § 14–820 of this subtitle from the date of payment to the date of redemption.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 2023.