

SENATE BILL 563

Q2, Q1

3lr1304
CF 3lr1305

By: **Senators Corderman and McKay**

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Property Maintenance and Nuisance Condition Violation**
3 **Judgments and Foreclosure Proceedings**

4 FOR the purpose of authorizing a tax sale for real property for certain unpaid judgments
5 for property maintenance and nuisance condition violations of local law; establishing
6 that certain judgments are a first lien on real property; establishing the priority of
7 certain liens on real property; authorizing a municipal corporation to institute a tax
8 sale under certain circumstances; authorizing the governing body of Allegany County
9 or Washington County or a municipal corporation in Allegany County or Washington
10 County to file a complaint to foreclose the right of redemption at any time after the
11 tax sale of property when the county or municipal corporation becomes the holder of
12 the certificate of sale by law; waiving certain requirements to send certain notices to
13 certain persons with an interest in a property sold at tax sale under certain
14 circumstances; and generally relating to tax sales of property.

15 BY repealing and reenacting, with amendments,
16 Article – Tax – Property
17 Section 14–801, 14–805(a), 14–809(a)(2), and 14–833(g)
18 Annotated Code of Maryland
19 (2019 Replacement Volume and 2022 Supplement)

20 BY adding to
21 Article – Tax – Property
22 Section 14–833(i)
23 Annotated Code of Maryland
24 (2019 Replacement Volume and 2022 Supplement)

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

27 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 14-801.

2 (a) In §§ 14-801 through 14-854 of this subtitle, the following words have the
3 meanings indicated.

4 (b) "Other taxing agency" means any municipal corporation or other public or
5 quasi-public corporation that may impose a tax of any kind which is or may become a lien
6 on real property.

7 (c) "Owner-occupied residential property" means, with respect to a property
8 located in Baltimore City, the principal residence of a homeowner as defined in §
9 9-105(a)(7) of this article.

10 (d) (1) "Tax" means any tax, or charge of any kind due to the State or any of
11 its political subdivisions, or to any other taxing agency, that by law is a lien against the
12 real property on which it is imposed or assessed.

13 (2) "Tax" includes:

14 (I) interest, penalties, and service charges; OR

15 (II) A JUDGMENT IN FAVOR OF A POLITICAL SUBDIVISION FOR
16 REAL PROPERTY MAINTENANCE OR NUISANCE CONDITION VIOLATIONS OF LOCAL
17 LAW, IF THE JUDGMENT IS INDEXED AND RECORDED IN ACCORDANCE WITH THE
18 MARYLAND RULES.

19 14-805.

20 (a) (1) From the date property tax on real property is due, liability for the tax
21 and a 1st lien attaches to the real property in the amount of the property tax due on the
22 real property.

23 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
24 PARAGRAPH, FROM THE DATE A JUDGMENT IN FAVOR OF A POLITICAL SUBDIVISION
25 FOR REAL PROPERTY MAINTENANCE OR NUISANCE CONDITION VIOLATIONS OF
26 LOCAL LAW IS INDEXED AND RECORDED, LIABILITY FOR THE JUDGMENT AND A 1ST
27 LIEN ATTACHES TO THE REAL PROPERTY IN THE AMOUNT OF THE JUDGMENT.

28 (II) A JUDGMENT THAT ATTACHES AS A LIEN ON REAL
29 PROPERTY UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT HAVE
30 PRIORITY OVER A 1ST LIEN ATTACHED UNDER PARAGRAPH (1) OF THIS
31 SUBSECTION.

32 14-809.

(a) (2) (I) IN THIS PARAGRAPH, “UNPAID MUNICIPAL CORPORATION TAXES OR CHARGES” INCLUDES A JUDGMENT IN FAVOR OF A MUNICIPAL CORPORATION FOR REAL PROPERTY MAINTENANCE OR NUISANCE CONDITION VIOLATIONS OF LOCAL LAW, IF THE JUDGMENT IS INDEXED AND RECORDED IN ACCORDANCE WITH THE MARYLAND RULES.

(II) If the procedures of this subtitle are not instituted by the county collector on or before 30 days after receiving the notice from the municipal corporation collector, the municipal corporation collector at any time after the 30-day period expires may use the provisions and procedures of this subtitle to sell the property for unpaid municipal corporation taxes or charges to the same extent that these provisions and procedures are available to county collectors.

14-833.

(g) [When] EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS SECTION, WHEN the governing body of a county or municipal corporation becomes the holder of a certificate of sale purchased in accordance with § 14-824 of this subtitle, the governing body of the county or municipal corporation may file a complaint, at any time after the date of sale, to foreclose all rights of redemption in abandoned property consisting of:

(1) a vacant lot; or

(2) improved property cited as vacant and unfit for habitation on a housing or building violation notice.

(I) (1) WHEN THE GOVERNING BODY OF ALLEGANY COUNTY OR WASHINGTON COUNTY OR A MUNICIPAL CORPORATION IN ALLEGANY COUNTY OR WASHINGTON COUNTY BECOMES THE HOLDER OF A CERTIFICATE OF SALE PURCHASED IN ACCORDANCE WITH § 14-824 OF THIS SUBTITLE, THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION MAY FILE A COMPLAINT, AT ANY TIME AFTER THE DATE OF SALE, TO FORECLOSE ALL RIGHTS OF REDEMPTION IN THE PROPERTY.

(2) THE NOTICE REQUIREMENTS UNDER SUBSECTION (A-1) OF THIS SECTION DO NOT APPLY UNLESS A COMPLAINT IS FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION MORE THAN 6 MONTHS AFTER THE DATE OF SALE.

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