HOUSE BILL 1573

Q2 7 lr 0794 HB 1153/16 - W&M

By: Prince George's County Delegation

Introduced and read first time: February 17, 2017 Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

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Prince George's County – Tax Sales – Limited Auction and Foreclosure for Abandoned Property

4 PG 411–17

FOR the purpose of requiring the tax collector in Prince George's County to conduct a certain limited auction prior to conducting a public auction for property subject to tax liens; specifying the individuals who may participate in a limited auction; requiring a purchaser of property at a limited auction to occupy the property as the purchaser's dwelling; requiring the tax collector to include the date, time, and location of a limited auction in certain notices; establishing that a limited auction shall be subject to the same requirements as a certain public auction; establishing that the purchase of property at a limited auction shall be treated the same as the purchase of property at a certain public auction; requiring the tax collector to establish a system to verify that individuals who place bids at a limited auction are eligible to place bids; establishing that a certificate of sale for property purchased at a limited auction is void if it is not purchased by an individual who meets certain criteria; requiring property offered for sale at a limited auction that is not sold at the limited auction to be offered for sale at a public auction; establishing certain remedies when a certificate of sale for property sold at a limited auction is void; authorizing a holder of a certificate of sale for certain property sold at a limited auction to file a complaint to foreclose all rights of redemption in the property at any time after the date of sale; and generally relating to tax sales of property in Prince George's County.

24 BY repealing and reenacting, with amendments,

Article – Tax – Property

26 Section 14–817 and 14–833(c)

27 Annotated Code of Maryland

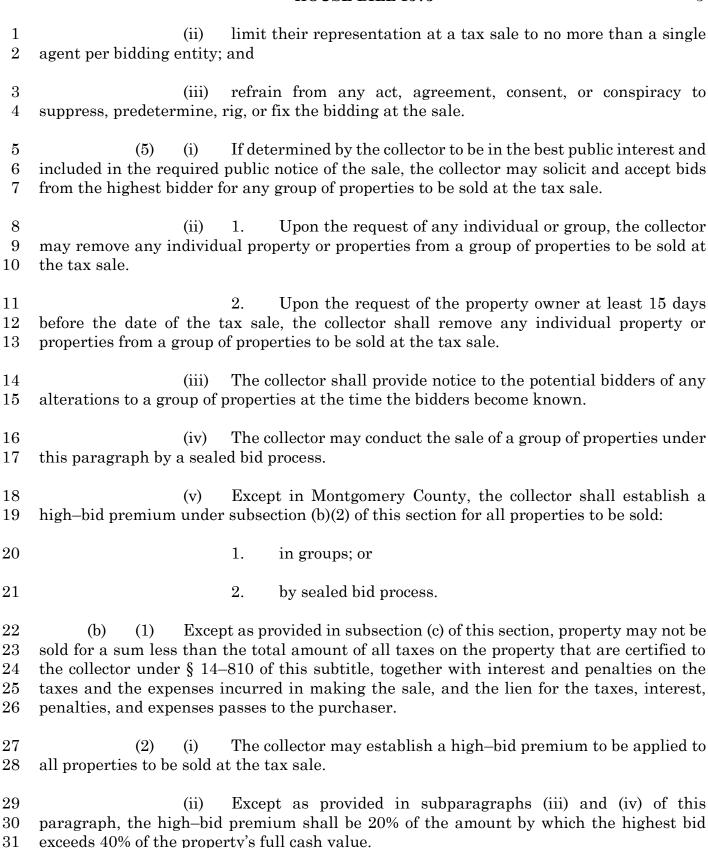
28 (2012 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2 3 4 5	BY repealing and reenacting, without amendments, Article – Tax – Property Section 14–833(d)(1) Annotated Code of Maryland (2012 Replacement Volume and 2016 Supplement)
6 7 8 9	BY adding to Article – Tax – Property Section 14–833(h) Annotated Code of Maryland (2012 Replacement Volume and 2016 Supplement)
$\frac{1}{2}$	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
13	Article - Tax - Property
4	14–817.
15 16	(a) (1) (i) The sale shall be held on the day and at the place stated in the notice by advertising.
17 18	(ii) The sale shall be held in the county in which the land to be sold is located.
19 20 21	(iii) If the sale cannot be completed on that day, the collector shall continue the sale as determined by the collector and announced to the bidders at the sale until all property included in the sale is sold.
22 23	(2) All sales shall be at public auction to the person who makes the highest good faith accepted bid, in fee or leasehold, as the case may be.
24 25 26	(3) (i) The collector shall retain any common law or other authority normally granted to an auctioneer conducting a public auction and may refuse to accept bids that are not made in good faith.
27	(ii) The collector may delegate this authority to an auctioneer.
28 29 30 31	(4) The conduct of the sale shall be according to terms set by the collector, and published with a reasonable degree of specificity in the public notice of the tax sale, to ensure the orderly functioning of the public auction and the integrity of the tax sale process, including requirements that potential bidders:
32 33	(i) establish their eligibility for bidding by presenting evidence of the legal existence of the bidding entity that is satisfactory to the collector:

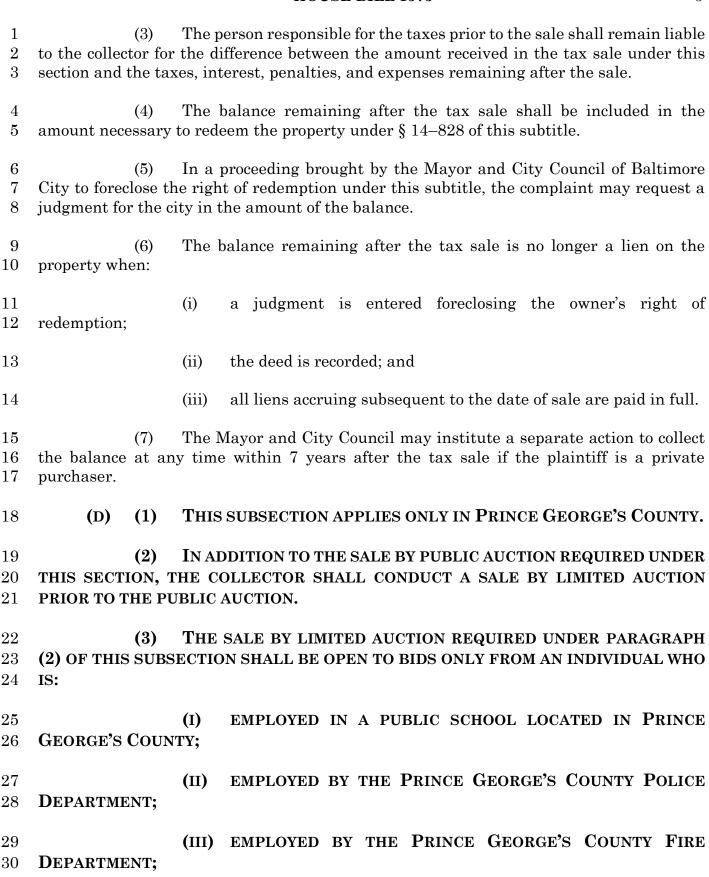


32 (iii) Except as provided in subparagraph (iv) of this paragraph, in 33 Baltimore City and Prince George's County, the high-bid premium shall be 20% of the 34 amount by which the highest bid exceeds the greater of:

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sold under this subsection.

1	1. the lien amount; or
2	2. 40% of the property's full cash value.
3 4 5	(iv) For property assessed under agricultural use assessment, the high-bid premium shall be 20% of the amount by which the highest bid exceeds the appropriate value determined by the collector.
6 7	(v) In addition to the amounts payable under paragraph (1) of this subsection, the highest bidder shall pay a high-bid premium if the collector:
8	1. determines that a high–bid premium shall be used for the tax sale; and
10	2. indicates in the public notice of the sale that the high-bid premium will be applied.
$\frac{12}{13}$	(vi) The collector shall refund the high-bid premium, without interest, to:
14 15	1. the holder of the tax sale certificate on redemption of the property for which the high–bid premium was paid; or
16 17 18	2. the plaintiff in an action to foreclose the right of redemption on delivery of a tax sale deed for the property for which the high-bid premium was paid.
19 20 21 22	(vii) The high-bid premium is not refundable after the time required under § 14–833 of this subtitle for an action to foreclose the right of redemption if there has been no redemption and if an action to foreclose the right of redemption has not been filed within that time.
23 24 25	(c) (1) In Baltimore City, abandoned property consisting of either a vacant lot or improved property cited as vacant and unfit for habitation on a housing or building violation notice may be sold for a sum less than the total amount of:
26 27	(i) all taxes on the property that are certified to the collector under $\S~14-810$ of this subtitle;
28	(ii) interest and penalties on the taxes; and
29	(iii) expenses incurred in making the sale.
30	(2) The collector shall establish a minimum bid for abandoned property



EMPLOYED BY THE PRINCE GEORGE'S COUNTY OFFICE OF

32 THE SHERIFF;

(IV)

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- 1 (V) EMPLOYED BY THE PRINCE GEORGE'S COUNTY
- 2 DEPARTMENT OF CORRECTIONS;
- 3 (VI) EMPLOYED BY THE PRINCE GEORGE'S COUNTY
- 4 GOVERNMENT IN A POSITION NOT INCLUDED UNDER ITEM (I), (II), (III), (IV), OR (V)
- 5 OF THIS PARAGRAPH;
- 6 (VII) EMPLOYED BY THE FEDERAL GOVERNMENT;
- 7 (VIII) EMPLOYED BY A MUNICIPAL GOVERNMENT IN PRINCE
- 8 GEORGE'S COUNTY:
- 9 (IX) A VETERAN OF ANY BRANCH OF THE ARMED FORCES OF THE
- 10 UNITED STATES WHO HAS RECEIVED AN HONORABLE DISCHARGE; OR
- 11 (X) A RESIDENT OF PRINCE GEORGE'S COUNTY.
- 12 (4) A PURCHASER OF PROPERTY AT A LIMITED AUCTION SHALL
- 13 OCCUPY THE PROPERTY AS THE PURCHASER'S DWELLING AS DEFINED IN § 9–105 OF
- 14 THIS ARTICLE.
- 15 (5) THE COLLECTOR SHALL INCLUDE THE DATE, TIME, AND
- 16 LOCATION OF THE LIMITED AUCTION REQUIRED UNDER THIS SUBSECTION IN ANY
- 17 NOTICE OF SALE AT PUBLIC AUCTION REQUIRED UNDER THIS SUBTITLE.
- 18 (6) (I) THE LIMITED AUCTION SHALL BE SUBJECT TO THE SAME
- 19 REQUIREMENTS FOR A PUBLIC AUCTION UNDER THIS SECTION.
- 20 (II) THE PURCHASE OF PROPERTY AT A LIMITED AUCTION
- 21 SHALL BE CONSIDERED THE SAME AS A PURCHASE AT PUBLIC AUCTION UNDER THIS
- 22 SECTION AND SHALL BE SUBJECT TO THE REQUIREMENTS OF THIS SUBTITLE IN THE
- 23 SAME MANNER AS A SALE AT PUBLIC AUCTION.
- 24 (III) THE COLLECTOR SHALL ESTABLISH A SYSTEM TO VERIFY
- 25 THAT INDIVIDUALS PLACING BIDS ON PROPERTY AT THE LIMITED AUCTION ARE
- 26 ELIGIBLE TO DO SO UNDER PARAGRAPH (3) OF THIS SUBSECTION.
- 27 (IV) A CERTIFICATE OF SALE FOR PROPERTY PURCHASED AT A
- 28 LIMITED AUCTION SHALL BE VOID IF THE PURCHASER WAS NOT AN ELIGIBLE
- 29 PARTICIPANT UNDER PARAGRAPH (3) OF THIS SUBSECTION.

- 1 (7) PROPERTY OFFERED FOR SALE DURING A LIMITED AUCTION THAT
 2 IS NOT SOLD SHALL BE OFFERED FOR SALE AT PUBLIC AUCTION IN ACCORDANCE
 3 WITH THIS SECTION.
- 4 14-833.
- 5 (c) (1) The certificate is void unless a proceeding to foreclose the right of 6 redemption is filed within 2 years of the date of the certificate of sale.
- 7 (2) In Baltimore City a certificate for abandoned property sold under § 8 14–817(c) of this subtitle with a minimum bid less than the lien amount reverts to the 9 Mayor and City Council and is void as to the private purchaser at tax sale unless:
- 10 (i) a proceeding to foreclose the right of redemption is filed within 3 months of the date of the certificate of sale; and
- 12 (ii) unless the holder is granted an extension by the court due to a 13 showing of extraordinary circumstances beyond the certificate holder's control, the holder 14 secures a decree from the circuit court in which the foreclosure proceeding was filed within 15 18 months from the date of the filing of the foreclosure proceeding.
- 16 (3) In Prince George's County, a certificate for property 17 SOLD AT A LIMITED AUCTION IS VOID IF THE PURCHASER WAS NOT AN ELIGIBLE 18 PARTICIPANT UNDER § 14–817(D)(3) OF THIS SUBTITLE.
- 19 (d) (1) If a certificate is void under subsection (c) of this section, then any right, 20 title, and interest of the holder of the certificate of sale, in the property sold shall cease and 21 all money received by the collector on account of the sale shall be deemed forfeited, and 22 shall be applied by the collector on the taxes in arrears on the property.
- (H) THE HOLDER OF A CERTIFICATE OF SALE FOR ABANDONED PROPERTY
 CONSISTING OF EITHER A VACANT LOT OR IMPROVED PROPERTY CITED AS VACANT
 AND UNFIT FOR HABITATION ON A HOUSING OR BUILDING VIOLATION NOTICE IN
 PRINCE GEORGE'S COUNTY THAT IS SOLD UNDER § 14–817(D) OF THIS SUBTITLE
 MAY FILE A COMPLAINT TO FORECLOSE ALL RIGHTS OF REDEMPTION IN THE
 PROPERTY AT ANY TIME AFTER THE DATE OF SALE.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 30 1, 2017.