

SENATE BILL 967

Q1

2lr3049

By: **Senator Edwards**

Introduced and read first time: February 15, 2022

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Final Judgments in Foreclosure Actions – Revisions**

3 FOR the purpose of authorizing a court, under certain circumstances, to strike the final
4 judgment in a tax sale action foreclosing the right of redemption in a property and
5 grant the governing body of a county or a municipal corporation the right to pay the
6 balance of the purchase price due on the property; requiring a court to direct a tax
7 collector to execute a deed to the governing body of a county or a municipal
8 corporation on payment by the governing body of the purchase price due on the
9 property; requiring the governing body of a county or a municipal corporation to take
10 title to the property in a certain manner; applying this Act retroactively; and
11 generally relating to tax sale foreclosure actions.

12 BY repealing and reenacting, with amendments,
13 Article – Tax – Property
14 Section 14–847
15 Annotated Code of Maryland
16 (2019 Replacement Volume and 2021 Supplement)

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

19 **Article – Tax – Property**

20 14–847.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of sale.

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

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

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

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

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

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

22 (E) (1) IF THE HOLDER OF THE CERTIFICATE OF SALE DOES NOT COMPLY
23 WITH THE TERMS OF THE FINAL JUDGMENT OF THE COURT WITHIN 120 DAYS AS TO
24 PAYMENTS TO THE COLLECTOR OF THE BALANCE OF THE PURCHASE PRICE DUE ON
25 ACCOUNT OF THE PURCHASE PRICE OF THE PROPERTY AND OF ALL TAXES,
26 INTEREST, AND PENALTIES THAT ACCRUE AFTER THE DATE OF SALE, THE COURT
27 MAY, ON MOTION OF THE GOVERNING BODY OF THE COUNTY OR THE MUNICIPAL
28 CORPORATION IN WHICH THE PROPERTY IS LOCATED, FOR GOOD CAUSE SHOWN:

29 (I) STRIKE THE FINAL JUDGMENT OF THE COURT; AND

30 (II) GRANT THE GOVERNING BODY OF THE COUNTY OR THE
31 MUNICIPAL CORPORATION THE RIGHT TO PAY THE BALANCE OF THE PURCHASE
32 PRICE DUE.

33 (2) ON PAYMENT TO THE COLLECTOR OF THE BALANCE OF THE
34 PURCHASE PRICE DUE:

1 **(I) THE COURT SHALL DIRECT THE COLLECTOR TO EXECUTE A**
2 **DEED PREPARED BY AND TO THE GOVERNING BODY OF THE COUNTY OR THE**
3 **MUNICIPAL CORPORATION IN FEE SIMPLE OR IN LEASEHOLD, AS APPROPRIATE; AND**

4 **(II) THE GOVERNING BODY OF THE COUNTY OR THE MUNICIPAL**
5 **CORPORATION SHALL TAKE TITLE TO THE PROPERTY:**

6 **1. IN FEE SIMPLE, FREE AND CLEAR OF ALL**
7 **ALIENATIONS AND DESCENTS OF THE PROPERTY OCCURRING BEFORE THE DATE OF**
8 **THE FINAL JUDGMENT AND ENCUMBRANCES ON THE PROPERTY, EXCEPT ANY**
9 **OTHER EASEMENT THAT MAY BE OBSERVED BY AN INSPECTION OF THE PROPERTY**
10 **TO WHICH THE PROPERTY IS SUBJECT; OR**

11 **2. IF THE COLLECTOR SOLD THE PROPERTY SUBJECT TO**
12 **A GROUND RENT OR THE HOLDER OF THE CERTIFICATE OF SALE ELECTED NOT TO**
13 **INCLUDE THE GROUND RENT HOLDER AS A PARTY IN THE FORECLOSURE ACTION, IN**
14 **LEASEHOLD.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
16 apply retroactively and shall be applied to and interpreted to affect tax sale actions
17 foreclosing the right of redemption in properties that are pending on enactment of this Act.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
19 1, 2022.