

HOUSE BILL 125

Q1

3lr1652

By: **Delegate Stukes**

Introduced and read first time: January 17, 2013

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 20, 2013

CHAPTER _____

1 AN ACT concerning

2 **Tax Sales – Reimbursement for Attorney’s Fees**

3 FOR the purpose of providing that a plaintiff or holder of a certificate of sale in a
4 foreclosure action may be reimbursed up to a certain amount for reasonable
5 attorney’s fees for certain participation in a bankruptcy proceeding or for
6 opening an estate for certain purposes; providing that a plaintiff or holder of a
7 certificate of sale in a foreclosure action may be reimbursed up to a certain
8 amount for certain expenses incurred for opening an estate for certain purposes;
9 and generally relating to tax sales of property.

10 BY repealing and reenacting, without amendments,
11 Article – Tax – Property
12 Section 14–833(a) and (a–1)(1) and (3)(vi)4.
13 Annotated Code of Maryland
14 (2012 Replacement Volume)

15 BY repealing and reenacting, with amendments,
16 Article – Tax – Property
17 Section 14–843(a)(4)
18 Annotated Code of Maryland
19 (2012 Replacement Volume)

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

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.



1 **Article – Tax – Property**

2 14–833.

3 (a) Except as provided in subsections (a–1), (e), (f), and (g) of this section, at
4 any time after 6 months from the date of sale a holder of any certificate of sale may file
5 a complaint to foreclose all rights of redemption of the property to which the certificate
6 relates.

7 (a–1) (1) The holder of a certificate of sale may not file a complaint to
8 foreclose the right of redemption until at least 2 months after sending the first notice
9 and at least 30 days after sending the second notice required under this subsection to:

10 (i) the person who last appears as owner of the property on the
11 collector’s tax roll; and

12 (ii) 1. the current mortgagee of the property, assignee of a
13 mortgagee of record, or servicer of the current mortgage; or

14 2. the current holder of a beneficial interest in a deed of
15 trust recorded against the property.

16 (3) The notices required under this subsection shall include at least
17 the following:

18 (vi) a statement that if the property is redeemed after an action
19 to foreclose the right of redemption has been filed, the amount that shall be paid to
20 redeem the property is the sum of:

21 4. attorney’s fees and expenses to which the holder of
22 the certificate of sale may be entitled under § 14–843(a)(4) and (5) of this subtitle;

23 14–843.

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

26 (i) attorney’s fees in the amount of:

27 1. \$1,300 if an affidavit of compliance has not been filed,
28 which amount shall be deemed reasonable for both the preparation and filing of the
29 action to foreclose the right of redemption; or

30 2. \$1,500 if an affidavit of compliance has been filed,
31 which amount shall be deemed reasonable for both the preparation and filing of the
32 action to foreclose the right of redemption;

1 **(II) REASONABLE ATTORNEY'S FEES, NOT TO EXCEED**
2 **\$1,200, INCURRED BY THE PLAINTIFF OR HOLDER OF A CERTIFICATE OF SALE**
3 **FOR THE PURPOSES OF DEFENSE IN A DEFENDANT'S BANKRUPTCY PROCEEDING**
4 **OR FOR OPENING AN ESTATE FOR PURPOSES OF SERVICE OF PROCESS AND**
5 **NOTICE ON A DEFENDANT'S ESTATE;**

6 **[(ii)] (III)** in exceptional circumstances, other reasonable
7 attorney's fees incurred and specifically requested by the plaintiff or holder of a
8 certificate of sale and approved by the court, on a case by case basis; and

9 **[(iii)] (IV)** if the plaintiff or holder of a certificate of sale provides
10 a signed affidavit attesting to the fact that the expenses were actually incurred, the
11 following expenses actually incurred by the plaintiff or holder of a certificate of sale:

12 1. filing fee charged by the circuit court for the county in
13 which the property is located;

14 2. service of process fee, including fees incurred
15 attempting to serve process;

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

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

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

21 6. posting fee;

22 7. postage and certified mail;

23 8. substantial repair order fee, not to exceed the fee
24 charged by the government agency issuing the certificate of substantial repair; [and]

25 **9. EXPENSES AND COSTS INCURRED FOR OPENING**
26 **AN ESTATE OF A DECEASED DEFENDANT FOR PURPOSES OF SERVICE OF**
27 **PROCESS AND NOTICE, NOT TO EXCEED \$1,200; AND**

28 **[9.] 10.** any court approved expense for stabilization or
29 conversion of the property under § 14-830 of this subtitle or in accordance with an
30 action taken against the property by the county in which the property is located in
31 accordance with the applicable building, fire, health, or safety codes.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.