

Chapter 461

(Senate Bill 123)

AN ACT concerning

Real Property – ~~Purchase~~ Foreclosure Sale of Residential Property by Secured Party – Notice to Local Supervisor of Assessments

FOR the purpose of requiring ~~certain persons to provide a copy of a certain court order within a certain period of time to the local supervisor of assessments under certain circumstances; establishing joint liability for certain exemptions or credits and certain interest until the court order is received; providing for the application of this Act; making stylistic changes; and generally relating to the purchase of residential property by a secured party~~ the purchaser of certain residential property at a foreclosure sale to provide a copy of the court order ratifying the sale to the local supervisor of assessments within a certain period of time; providing certain exceptions; requiring the supervisor of assessments to provide a receipt to the person providing a copy of the ratification order; providing that, if a copy of the ratification order is not provided to the local supervisor of assessments within a certain period of time, a certain reduction in property tax plus interest at a certain rate remains due and collectable as a property tax; defining certain terms; and generally relating to notice to the local supervisor of assessments of a foreclosure sale of certain residential property.

~~BY repealing and reenacting, with amendments,
Article – Real Property
Section 7-105.5
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)~~

BY adding to
Article – Real Property
Section 7-105.11
Annotated Code of Maryland
(2010 Replacement Volume and 2011 Supplement)

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

Article – Real Property

~~7-105.5.~~

~~(A) IN THIS SECTION, “REAL ESTATE REPORTING PERSON” HAS THE MEANING STATED IN 26 U.S.C. § 6045.~~

~~(B) No title to property acquired at sale of property subject to a mortgage or deed of trust is invalid by reason of the fact that the property was purchased by the secured party, [his] BY THE SECURED PARTY’S assignee[,] or representative, or for [his] THE SECURED PARTY’S account.~~

~~(C) (1) IF PROPERTY PURCHASED BY A SECURED PARTY, BY THE SECURED PARTY’S ASSIGNEE OR REPRESENTATIVE, OR FOR THE SECURED PARTY’S ACCOUNT, IS RESIDENTIAL PROPERTY, THE SECURED PARTY OR THE REAL ESTATE REPORTING PERSON SHALL, WITHIN 30 DAYS AFTER THE DATE OF A COURT ORDER RATIFYING THE SALE, PROVIDE A COPY OF THE COURT ORDER TO THE SUPERVISOR OF ASSESSMENTS FOR THE COUNTY IN WHICH THE PROPERTY IS LOCATED.~~

~~(2) IF A COPY OF THE ORDER RATIFYING THE SALE IS NOT PROVIDED TO THE SUPERVISOR OF ASSESSMENTS AS REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION, THE SECURED PARTY AND THE REAL ESTATE REPORTING PERSON SHALL BE JOINTLY LIABLE TO THE TAXING AUTHORITY FOR THE AMOUNT OF ANY EXEMPTION OR CREDIT RELATED TO PRINCIPAL RESIDENCY AND RECEIVED ON THE PROPERTY, PLUS INTEREST AT THE RATE PROVIDED FOR LATE PAYMENTS OF REAL PROPERTY TAX, UNTIL THE COURT ORDER IS RECEIVED BY THE SUPERVISOR OF ASSESSMENTS.~~

7-105.11.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “INSTRUMENT OF WRITING” HAS THE MEANING STATED IN § 12-101 OF THE TAX – PROPERTY ARTICLE.

(3) (I) “RESIDENTIAL PROPERTY” MEANS REAL PROPERTY IMPROVED BY A DWELLING UNIT THAT IS DESIGNED PRINCIPALLY AND IS INTENDED FOR HUMAN HABITATION.

(II) “RESIDENTIAL PROPERTY” INCLUDES:

1. A RESIDENTIAL CONDOMINIUM UNIT; AND
2. A UNIT IN A COOPERATIVE PROJECT, AS DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(4) "TAX" HAS THE MEANING STATED IN § 14-801 OF THE TAX – PROPERTY ARTICLE.

(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, IF RESIDENTIAL PROPERTY IS PURCHASED AT A SALE IN AN ACTION TO FORECLOSE A MORTGAGE OR DEED OF TRUST ON THE RESIDENTIAL PROPERTY, THE PURCHASER SHALL PROVIDE A COPY OF THE COURT ORDER RATIFYING THE FORECLOSURE SALE TO THE SUPERVISOR OF ASSESSMENTS FOR THE COUNTY IN WHICH THE RESIDENTIAL PROPERTY IS LOCATED BY THE LATER OF:

(1) 60 DAYS AFTER THE ENTRY OF THE COURT ORDER RATIFYING THE FORECLOSURE SALE; OR

(2) IF A MOTION IS FILED UNDER MARYLAND RULE 2-535 BEFORE THE EXPIRATION OF THE TIME PERIOD SET FORTH IN ITEM (1) OF THIS SUBSECTION, 30 DAYS AFTER THE ENTRY OF A COURT ORDER THAT RESOLVES THE MOTION WITHOUT NULLIFYING THE RATIFICATION ORDER.

(C) SUBSECTION (B) OF THIS SECTION DOES NOT APPLY IF:

(1) AN INSTRUMENT OF WRITING TRANSFERRING THE RESIDENTIAL PROPERTY HAS BEEN RECORDED IN THE LAND RECORDS OF THE COUNTY IN WHICH THE RESIDENTIAL PROPERTY IS LOCATED BEFORE THE EXPIRATION OF THE TIME PERIOD SET FORTH IN SUBSECTION (B) OF THIS SECTION; OR

(2) THE FORECLOSURE SALE IS SUBJECT TO:

(i) A PENDING APPEAL OF THE RATIFICATION ORDER;

(ii) A BANKRUPTCY STAY; OR

(iii) AN UNEXPIRED RIGHT OF REDEMPTION IN FAVOR OF THE UNITED STATES OR ANY AGENCY OR DEPARTMENT OF THE UNITED STATES.

(D) THE SUPERVISOR OF ASSESSMENTS SHALL PROVIDE A RECEIPT TO THE PERSON PROVIDING A COPY OF THE RATIFICATION ORDER.

(E) IF A COPY OF THE RATIFICATION ORDER IS NOT PROVIDED TO THE SUPERVISOR OF ASSESSMENTS AS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, ANY REDUCTION IN PROPERTY TAX RECEIVED BY THE RESIDENTIAL PROPERTY BECAUSE OF ITS STATUS AS AN OWNER-OCCUPIED PRINCIPAL

RESIDENCE FROM THE DATE OF THE ENTRY OF THE RATIFICATION ORDER UNTIL THE EARLIER OF THE RECEIPT BY THE SUPERVISOR OF ASSESSMENTS OF A COPY OF THE RATIFICATION ORDER OR THE RECORDATION IN THE LAND RECORDS OF AN INSTRUMENT OF WRITING TRANSFERRING THE PROPERTY TO A THIRD PARTY SHALL REMAIN DUE AND COLLECTABLE AS A PROPERTY TAX UNDER TITLE 14 OF THE TAX – PROPERTY ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2012, and shall be applicable to all taxable years beginning after June 30, 2012.

Approved by the Governor, May 22, 2012.