

SENATE BILL 182

Q1

2lr0713

By: ~~Senators Ferguson and Gladden~~, **Gladden, McFadden, and Jones-Rodwell**

Introduced and read first time: January 20, 2012

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 27, 2012

CHAPTER _____

1 AN ACT concerning

2 **Tax Sales – Complaint to Foreclose Right of Redemption – Notice**

3 FOR the purpose of prohibiting a holder of a certificate of tax sale from filing a
4 complaint to foreclose the right of redemption until a certain amount of time
5 after sending a certain notice to certain persons; requiring a certain notice to be
6 sent in a certain manner; authorizing a holder of a certificate of tax sale to be
7 reimbursed for certain expenses related to mailing a certain notice; and
8 generally relating to the timing of required notices in tax sales.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 14–833(a–1)(1), (3)(v), and (6) and 14–843(a)(3)
12 Annotated Code of Maryland
13 (2007 Replacement Volume and 2011 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Tax – Property
16 Section 14–833(a–1)(4)
17 Annotated Code of Maryland
18 (2007 Replacement Volume and 2011 Supplement)

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

21 **Article – Tax – Property**

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 14-833.

2 (a-1) (1) The holder of a certificate of sale may not file a complaint to
3 foreclose the right of redemption until at least 2 months after sending the first [of two
4 notices] **NOTICE AND AT LEAST 30 DAYS AFTER SENDING THE SECOND NOTICE**
5 required under this subsection to:

6 (i) the person who last appears as owner of the property on the
7 collector's tax roll; and

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

10 2. the current holder of a beneficial interest in a deed of
11 trust recorded against the property.

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

14 (v) a statement that if the property is redeemed before an action
15 to foreclose the right of redemption is filed, the amount that shall be paid to redeem
16 the property is:

17 1. the total lien amount on the property at the time of
18 sale, with interest;

19 2. any taxes, interest, and penalties paid by the holder of
20 the certificate of sale;

21 3. any taxes, interest, and penalties accruing after the
22 date of the tax sale; and

23 4. the following expenses incurred by the holder of the
24 certificate of sale:

25 A. costs for recording the certificate of sale;

26 B. a title search fee, not to exceed \$250; [and]

27 C. THE POSTAGE AND CERTIFIED MAILING COSTS
28 ACTUALLY INCURRED FOR THE NOTICES; AND

29 [C.] D. reasonable attorney's fees, not to exceed \$500;

1 (4) (i) The first of the two notices required under this subsection
2 may not be sent until 4 months after the date of sale.

3 (ii) The second of the two notices required under this section
4 shall be sent:

5 1. to the persons listed in paragraph (1) of this
6 subsection; and

7 2. no earlier than 1 week after the first notice required
8 under this subsection is sent.

9 (6) (i) The first of the two notices required under this subsection
10 shall be sent:

11 1. by first-class **CERTIFIED** mail, **POSTAGE PREPAID,**
12 **RETURN RECEIPT REQUESTED, BEARING A POSTMARK FROM THE UNITED**
13 **STATES POSTAL SERVICE;** and

14 2. in an envelope prominently marked on the outside
15 with the following phrase “Notice of Delinquent Property Tax”.

16 (ii) The second of the two notices required under this subsection
17 shall be sent:

18 1. by first-class certified mail, postage prepaid, return
19 receipt requested, bearing a postmark from the United States Postal Service; and

20 2. in an envelope prominently marked on the outside
21 with the following phrase “Notice of Delinquent Property Tax”.

22 14-843.

23 (a) (3) If an action to foreclose the right of redemption has not been filed,
24 and the property is redeemed more than 4 months after the date of the tax sale, the
25 holder of a certificate of sale may be reimbursed for the following expenses actually
26 incurred:

27 (i) costs for recording the certificate of sale;

28 (ii) a title search fee, not to exceed \$250; [and]

29 **(III) THE POSTAGE AND CERTIFIED MAILING COSTS FOR THE**
30 **NOTICES REQUIRED UNDER § 14-833(A-1) OF THIS TITLE; AND**

31 **[(iii)] (IV) reasonable attorney’s fees, not to exceed \$500.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2012.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.