

HOUSE BILL 490

Q1

2lr2565

By: **Delegate Stukes**

Introduced and read first time: February 2, 2012

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 15, 2012

CHAPTER _____

1 AN ACT concerning

2 **Tax Sales – Payment to Redeem Foreclosed Property**

3 FOR the purpose of authorizing the holder of a tax sale certificate to be reimbursed for
4 certain postage and mailing expenses that are actually incurred if the property
5 is redeemed before an action to foreclose a right of redemption is filed; requiring
6 a certain notice of foreclosure to include language indicating that certain
7 postage and mailing expenses are expenses included in the amount necessary to
8 redeem the property if the property is redeemed before an action to foreclose a
9 right of redemption is filed; and generally relating to tax sales.

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

15 BY repealing and reenacting, without amendments,
16 Article – Tax – Property
17 Section 14–843(a)(1), (2), and (4)
18 Annotated Code of Maryland
19 (2007 Replacement Volume and 2011 Supplement)

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–1) (3) The notices required under this subsection shall include at least
4 the following:

5 (i) a statement of the fact of the issuance of a certificate of sale;

6 (ii) a copy of the certificate of sale, if the holder of the certificate
7 of sale received the certificate of sale before the notice was sent under this paragraph;8 (iii) a statement that the owner, a mortgage holder, or any other
9 person that has an estate or interest in the property may redeem the property at any
10 time until the right of redemption has been finally foreclosed under the provisions of
11 this subtitle;12 (iv) a statement that the holder of the certificate of sale may file
13 an action to foreclose the right of redemption at any time after 2 months from the date
14 of the first notice;15 (v) a statement that if the property is redeemed before an action
16 to foreclose the right of redemption is filed, the amount that shall be paid to redeem
17 the property is:18 1. the total lien amount on the property at the time of
19 sale, with interest;20 2. any taxes, interest, and penalties paid by the holder of
21 the certificate of sale;22 3. any taxes, interest, and penalties accruing after the
23 date of the tax sale; and24 4. the following expenses incurred by the holder of the
25 certificate of sale:

26 A. costs for recording the certificate of sale;

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

28 C. **THE POSTAGE AND CERTIFIED MAILING COSTS**
29 **ACTUALLY INCURRED FOR MAILING THE FIRST AND SECOND NOTICES; AND**

30 D. reasonable attorney's fees, not to exceed \$500;

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

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

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

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

10 4. attorney's fees and expenses to which the holder of
11 the certificate of sale may be entitled under § 14-843(a)(4) and (5) of this subtitle;

12 (vii) the provisions of § 14-843(a) of this subtitle, reproduced as
13 they appear in the Code;

14 (viii) a statement that, in Baltimore City only, the holder of the
15 certificate of sale is entitled to taxes, interest, and penalties paid in accordance with §
16 14-843(c) of this subtitle and interest at the rate of redemption under § 14-820 of this
17 subtitle from the date of payment to the date of redemption; and

18 (ix) the name, address, and telephone number of:

19 1. the holder of the certificate of sale, or the holder's
20 agent or attorney; and

21 2. the collector who made the sale.

22 14-843.

23 (a) (1) Except as provided in subsection (b) of this section, on redemption,
24 the plaintiff or the holder of a certificate of sale may be reimbursed for expenses
25 incurred in any action or in preparation for any action to foreclose the right of
26 redemption as provided in this section.

27 (2) The plaintiff or holder of a certificate of sale is not entitled to be
28 reimbursed for any other expenses or attorney's fees that are not included in this
29 section.

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

- 1 (i) costs for recording the certificate of sale;
- 2 (ii) a title search fee, not to exceed \$250; [and]
- 3 (iii) **THE POSTAGE AND CERTIFIED MAILING COSTS**
4 **ACTUALLY INCURRED FOR MAILING THE FIRST AND SECOND NOTICES**
5 **REQUIRED UNDER § 14-833(A-1) OF THIS TITLE; AND**

6 (IV) reasonable attorney's fees, not to exceed \$500.

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

9 (i) attorney's fees in the amount of:

10 1. \$1,300 if an affidavit of compliance has not been filed,
11 which amount shall be deemed reasonable for both the preparation and filing of the
12 action to foreclose the right of redemption; or

13 2. \$1,500 if an affidavit of compliance has been filed,
14 which amount shall be deemed reasonable for both the preparation and filing of the
15 action to foreclose the right of redemption;

16 (ii) in exceptional circumstances, other reasonable attorney's
17 fees incurred and specifically requested by the plaintiff or holder of a certificate of sale
18 and approved by the court, on a case by case basis; and

19 (iii) if the plaintiff or holder of a certificate of sale provides a
20 signed affidavit attesting to the fact that the expenses were actually incurred, the
21 following expenses actually incurred by the plaintiff or holder of a certificate of sale:

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

24 2. service of process fee, including fees incurred
25 attempting to serve process;

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

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

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

31 6. posting fee;

- 1 7. postage and certified mail;
- 2 8. substantial repair order fee, not to exceed the fee
- 3 charged by the government agency issuing the certificate of substantial repair; and
- 4 9. any court approved expense for stabilization or
- 5 conversion of the property under § 14–830 of this subtitle or in accordance with an
- 6 action taken against the property by the county in which the property is located in
- 7 accordance with the applicable building, fire, health, or safety codes.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect

9 July 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.