

HOUSE BILL 16

Q1

4lr0963

(PRE-FILED)

By: **Delegate Kaiser**

Requested: October 13, 2023

Introduced and read first time: January 10, 2024

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: February 20, 2024

CHAPTER _____

1 AN ACT concerning

2 **Tax Sales – Homeowner Protection Program – Funding**

3 FOR the purpose of requiring each collector of property taxes to include with each property
4 tax bill a separate insert, designed by the State Tax Sale Ombudsman, that describes
5 the Homeowner Protection Program and encourages taxpayers to make a voluntary
6 donation to the Program through a website maintained by the State Department of
7 Assessments and Taxation; prohibiting the collector from delivering a certificate of
8 sale to the purchaser of a property at a tax sale until the purchaser has paid a certain
9 fee to the collector; requiring the fee to be credited to the Homeowner Protection
10 Fund; and generally relating to funding for the Homeowner Protection Program.

11 BY adding to

12 Article – Tax – Property

13 Section 4–201.1

14 Annotated Code of Maryland

15 (2019 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article – Tax – Property

18 Section 14–820(a) and 14–891(f)

19 Annotated Code of Maryland

20 (2019 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, without amendments,

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 Section 14–891(a), (b), (c), and (g)
3 Annotated Code of Maryland
4 (2019 Replacement Volume and 2023 Supplement)

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

7 **Article – Tax – Property**

8 **4–201.1.**

9 **(A) IN THIS SECTION, “PROGRAM” MEANS THE HOMEOWNER PROTECTION**
10 **PROGRAM ESTABLISHED UNDER TITLE 14, SUBTITLE 8, PART VII OF THIS ARTICLE.**

11 **(B) EACH COLLECTOR SHALL INCLUDE WITH EACH PROPERTY TAX BILL A**
12 **SEPARATE INSERT THAT:**

13 **(1) INCLUDES A CONCISE DESCRIPTION OF THE ASSISTANCE THE**
14 **PROGRAM PROVIDES TO PREVENT LOW-INCOME, ELDERLY, AND DISABLED**
15 **HOMEOWNERS FROM LOSING THEIR HOMES TO TAX SALE FORECLOSURE;**

16 **(2) MAY INCLUDE TESTIMONY FROM PARTICIPANTS IN THE**
17 **PROGRAM; AND**

18 **(3) SHALL ENCOURAGE TAXPAYERS TO MAKE A VOLUNTARY**
19 **DONATION TO THE PROGRAM THROUGH THE WEBSITE MAINTAINED BY THE**
20 **DEPARTMENT UNDER SUBSECTION (C) OF THIS SECTION.**

21 **(C) THE DEPARTMENT SHALL:**

22 **(1) MAINTAIN A WEBSITE THAT ANY PERSON MAY USE TO MAKE A**
23 **VOLUNTARY ONE-TIME OR RECURRING ELECTRONIC DONATION TO THE PROGRAM;**
24 **AND**

25 **(2) CREDIT DONATIONS RECEIVED THROUGH THE WEBSITE TO THE**
26 **HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14–891 OF THIS ARTICLE.**

27 **(D) THE STATE TAX SALE OMBUDSMAN SHALL DESIGN THE SEPARATE**
28 **INSERT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION AND PROVIDE THE**
29 **INSERT TO EACH COLLECTOR.**

30 14–820.

1 (a) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
2 collector shall deliver to the purchaser a certificate of sale under the collector's hand and
3 seal, or by the collector's authorized facsimile signature, acknowledged by the collector as
4 a conveyance of land[, which].

5 (2) (I) THE COLLECTOR MAY NOT DELIVER A CERTIFICATE OF
6 SALE TO THE PURCHASER UNTIL THE PURCHASER HAS PAID A FEE TO THE
7 COLLECTOR OF \$15 FOR EACH CERTIFICATE ISSUED BY THE COLLECTOR.

8 (II) THE FEE IMPOSED UNDER THIS PARAGRAPH SHALL BE
9 CREDITED TO THE HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14-891
10 OF THIS SUBTITLE.

11 (3) THE certificate OF SALE shall set forth:

12 [(1)] (I) that the property described in it was sold by the collector to the
13 purchaser;

14 [(2)] (II) the date of the sale;

15 [(3)] (III) the amount for which the property was sold;

16 [(4)] (IV) the total amount of taxes due on the property at the time of sale
17 together with interest, penalties and expenses incurred in making the sale;

18 [(5)] (V) a description of the property in substantially the same form as
19 the description appearing on the collector's tax roll. If the property is unimproved or has no
20 street number, and the collector has procured a description of the property from the county
21 or municipal corporation surveyor, this description shall be included in the certificate of
22 sale. In Garrett County a copy of the description as required by § 14-813(f) of this subtitle,
23 as that section relates specifically to Garrett County, shall be included in the certificate of
24 sale;

25 [(6)] (VI) a statement that the rate of redemption is 6% a year, except as
26 provided in subsection (b) of this section;

27 [(7)] (VII) the time when an action to foreclose the right of redemption may
28 be instituted; and

29 [(8) (i)] (VIII) 1. that the certificate will be void unless foreclosure
30 proceedings are brought within 2 years from the date of the certificate; or

31 [(ii)] 2. that, unless foreclosure proceedings are brought within 3
32 months from the date of the certificate to any abandoned property in Baltimore City sold

1 under § 14–817(c)(1) of this subtitle with a minimum bid less than the lien amount, the
2 certificate:

3 [1.] A. is void as to a private purchaser; and

4 [2.] B. reverts to the Mayor and City Council for a period
5 of 2 years from the date of the tax sale.

6 14–891.

7 (a) In this section, “Fund” means the Homeowner Protection Fund.

8 (b) There is a Homeowner Protection Fund.

9 (c) The purpose of the Fund is to finance the Program.

10 (f) The Fund consists of:

11 (1) tax and interest payments made to the Department by homeowners
12 enrolled in the Program;

13 **(2) VOLUNTARY DONATIONS TO THE FUND UNDER § 4–201.1 OF THIS**
14 **ARTICLE;**

15 **(3) REVENUE DISTRIBUTED TO THE FUND UNDER § 14–820(A)(2) OF**
16 **THIS SUBTITLE;**

17 **[(2)] (4)** money appropriated in the State budget to the Fund;

18 **[(3)] (5)** interest earnings; and

19 **[(4)] (6)** any other money from any other source accepted for the benefit
20 of the Fund.

21 (g) For each of fiscal years 2023, 2024, and 2025, the Governor shall include in
22 the annual budget bill an appropriation of \$750,000 to the Fund.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2024.