

# HOUSE BILL 762

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HB 1144/15 – HRU

6lr2543

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By: **Delegate Buckel**

Introduced and read first time: February 8, 2016

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Reimbursement for Expenses**

3 FOR the purpose of requiring a certain notice sent by the holder of a tax sale certificate to  
4 the owner of the property to include certain information; clarifying that certain costs  
5 incurred by the holder of a tax sale certificate shall be reimbursed on redemption of  
6 the property; requiring certain payments for reimbursement to be made to certain  
7 persons; prohibiting certain payments for reimbursement from being made to the tax  
8 collector; providing that the holder of a tax sale certificate shall be reimbursed a  
9 certain amount for attorney's fees if an action to foreclose the right of redemption  
10 has not been filed and establishing that amount as reasonable; altering the amount  
11 of attorney's fees that the holder of a tax sale certificate shall be reimbursed if an  
12 action to foreclose the right of redemption has been filed; providing that the holder  
13 of a tax sale certificate shall be reimbursed for certain fees incurred for obtaining  
14 certain judgment reports; providing that the holder of a tax sale certificate shall be  
15 reimbursed for certain costs incurred in obtaining a certain certificate for certain  
16 property; and generally relating to tax sales of property.

17 BY repealing and reenacting, with amendments,  
18 Article – Tax – Property  
19 Section 14–833(a–1)(3)(v) and 14–843(a)  
20 Annotated Code of Maryland  
21 (2012 Replacement Volume and 2015 Supplement)

22 BY repealing and reenacting, without amendments,  
23 Article – Tax – Property  
24 Section 14–833(a–1)(3)(vi) and (e) and 14–843(b)  
25 Annotated Code of Maryland  
26 (2012 Replacement Volume and 2015 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



**Article – Tax – Property**

14–833.

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

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

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

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

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

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

A. costs for recording the certificate of sale;

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

C. the postage and certified mailing costs actually incurred for the notices; [and]

D. reasonable attorney’s fees, not to exceed \$500; **AND**

**E. COSTS FOR OBTAINING NECESSARY JUDGMENT REPORTS;**

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

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

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



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1                                   4.    [reasonable attorney's fees, not to exceed \$500]  
 2 ATTORNEY'S FEES IN THE AMOUNT OF \$500, WHICH AMOUNT SHALL BE DEEMED  
 3 REASONABLE FOR WORK PERFORMED PRIOR TO FILING AN ACTION TO FORECLOSE  
 4 THE RIGHT OF REDEMPTION; AND

5                                   5.    COSTS FOR OBTAINING NECESSARY JUDGMENT  
 6 REPORTS.

7                                   (ii)    In Baltimore City, for owner-occupied residential property, if an  
 8 action to foreclose the right of redemption has not been filed, and the property is redeemed  
 9 more than 7 months after the date of the tax sale, the holder of a certificate of sale may be  
 10 reimbursed for the following expenses actually incurred:

- 11                                   1.    costs for recording the certificate of sale;
- 12                                   2.    a title search fee, not to exceed \$250;
- 13                                   3.    the postage and certified mailing costs for the notices  
 14 required under § 14-833(a-1) of this subtitle; [and]

15                                   4.    [reasonable attorney's fees, not to exceed \$500]  
 16 ATTORNEY'S FEES IN THE AMOUNT OF \$500, WHICH AMOUNT SHALL BE DEEMED  
 17 REASONABLE FOR WORK PERFORMED PRIOR TO FILING AN ACTION TO FORECLOSE  
 18 THE RIGHT OF REDEMPTION; AND

19                                   5.    COSTS FOR OBTAINING NECESSARY JUDGMENT  
 20 REPORTS.

21                                   (4)    If an action to foreclose the right of redemption has been filed, the  
 22 plaintiff or holder of a certificate of sale [may] SHALL be reimbursed for:

- 23                                   (i)    attorney's fees in the amount of:
  - 24                                   1.    [\$1,300] \$1,500 if an affidavit of compliance has not been  
 25 filed, which amount shall be deemed reasonable for both the preparation and filing of the  
 26 action to foreclose the right of redemption; or
  - 27                                   2.    [\$1,500] \$1,750 if an affidavit of compliance has been  
 28 filed, which amount shall be deemed reasonable for both the preparation and filing of the  
 29 action to foreclose the right of redemption;

30                                   (ii)    reasonable attorney's fees, not to exceed \$1,200, incurred by the  
 31 plaintiff or holder of a certificate of sale for opening an estate for purposes of service of  
 32 process and notice on a defendant's estate;

1 (iii) in exceptional circumstances, other reasonable attorney's fees  
2 incurred and specifically requested by the plaintiff or holder of a certificate of sale and  
3 approved by the court, on a case by case basis; and

4 (iv) if the plaintiff or holder of a certificate of sale provides a signed  
5 affidavit attesting to the fact that the expenses were actually incurred, the following  
6 expenses actually incurred by the plaintiff or holder of a certificate of sale:

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

9 2. service of process fee, including fees incurred attempting  
10 to serve process;

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

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

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

16 6. posting fee;

17 7. postage and certified mail;

18 8. substantial repair order fee, not to exceed the fee charged  
19 by the government agency issuing the certificate of substantial repair;

20 9. expenses and costs incurred for opening an estate of a  
21 deceased defendant for purposes of service of process and notice, not to exceed \$1,200; [and]

22 10. any court approved expense for stabilization or conversion  
23 of the property under § 14-830 of this subtitle or in accordance with an action taken against  
24 the property by the county in which the property is located in accordance with the  
25 applicable building, fire, health, or safety codes; AND

26 **11. COSTS FOR OBTAINING NECESSARY JUDGMENT**  
27 **REPORTS.**

28 (5) In addition to the expenses and attorney's fees under paragraph (3) or  
29 (4) of this subsection, the plaintiff or holder of a certificate of sale [may] **SHALL** be  
30 reimbursed for:

31 (i) taxes paid at the tax sale, together with redemption interest,  
32 arising after the date of sale to the date of redemption;

1 (ii) the high bid premium paid at the tax sale, if applicable; [and]

2 (iii) in Baltimore City only, taxes, interest, and penalties paid in  
3 accordance with subsection (c) of this section and interest at the rate of redemption  
4 provided in § 14–820 of this subtitle from the date of payment to the date of redemption;

5 **AND**

6 **(IV) COSTS INCURRED FOR OBTAINING A CERTIFICATE OF**  
7 **SUBSTANTIAL REPAIR, FOR PROPERTY SUBJECT TO § 14–833(E) OF THIS SUBTITLE.**

8 (b) (1) (i) Except as provided in subparagraph (ii) of this paragraph and  
9 paragraph (2) of this subsection, in Allegany County, Anne Arundel County, Baltimore  
10 City, Baltimore County, Calvert County, Caroline County, Carroll County, Cecil County,  
11 Charles County, Dorchester County, Frederick County, Garrett County, Harford County,  
12 Howard County, Kent County, Montgomery County, Prince George’s County, Queen Anne’s  
13 County, St. Mary’s County, Somerset County, Washington County, Wicomico County, and  
14 Worcester County, the plaintiff or holder of a certificate of sale may not be reimbursed for  
15 expenses incurred within 4 months after the date of sale.

16 (ii) In Baltimore City, for owner–occupied residential property, the  
17 plaintiff or holder of a certificate of sale may not be reimbursed for expenses incurred within  
18 7 months after the date of sale.

19 (2) This subsection does not apply to property for which the holder:

20 (i) may file a complaint any time after 60 days from the date of sale,  
21 pursuant to § 14–833(e) of this subtitle; or

22 (ii) must file a complaint within 3 months from the date of sale,  
23 pursuant to § 14–833(c)(2) of this subtitle.

24 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect July  
25 1, 2016.