

# HOUSE BILL 241

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7lr1707  
CF SB 167

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By: **Delegate Walker**

Introduced and read first time: January 23, 2017

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 clarifying that certain costs incurred by the holder of a tax sale  
4 certificate shall be reimbursed on redemption of the property; requiring certain  
5 payments for reimbursement to be made to certain persons; providing that the holder  
6 of a tax sale certificate shall be reimbursed a certain amount for attorney's fees if an  
7 action to foreclose the right of redemption has not been filed and establishing that  
8 amount as reasonable; providing that the holder of a tax sale certificate shall be  
9 reimbursed a certain amount for attorney's fees if an action to foreclose the right of  
10 redemption has been filed; and generally relating to tax sales of property.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – Property  
13 Section 14–843(a)  
14 Annotated Code of Maryland  
15 (2012 Replacement Volume and 2016 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – Tax – Property  
18 Section 14–843(b)  
19 Annotated Code of Maryland  
20 (2012 Replacement Volume and 2016 Supplement)

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

23 **Article – Tax – Property**

24 14–843.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) **(I)** Except as provided in subsection (b) of this section, on  
2 redemption, the plaintiff or the holder of a certificate of sale [may] **SHALL** be reimbursed  
3 for expenses incurred in any action or in preparation for any action to foreclose the right of  
4 redemption as provided in this section.

5 **(II) PAYMENT FOR REIMBURSEMENT UNDER SUBPARAGRAPH**  
6 **(I) OF THIS PARAGRAPH SHALL BE PAID BY THE REDEEMING PARTY DIRECTLY TO**  
7 **THE ATTORNEY FOR THE HOLDER OF A CERTIFICATE OF SALE OR TO THE**  
8 **COLLECTOR IF THE COLLECTOR COLLECTS THE EXPENSES DESCRIBED UNDER THIS**  
9 **SECTION.**

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

12 (3) (i) Except as provided in subparagraph (ii) of this paragraph, if an  
13 action to foreclose the right of redemption has not been filed, and the property is redeemed  
14 more than 4 months after the date of the tax sale, the holder of a certificate of sale [may]  
15 **SHALL** be reimbursed for the following expenses actually incurred:

- 16 1. costs for recording the certificate of sale;
- 17 2. a title search fee, not to exceed \$250;
- 18 3. the postage and certified mailing costs for the notices  
19 required under § 14-833(a-1) of this title; and
- 20 4. [reasonable attorney's fees, not to exceed \$500]  
21 **ATTORNEY'S FEES IN THE AMOUNT OF \$500, WHICH AMOUNT SHALL BE DEEMED**  
22 **REASONABLE FOR WORK PERFORMED PRIOR TO FILING AN ACTION TO FORECLOSE**  
23 **THE RIGHT OF REDEMPTION.**

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

- 28 1. costs for recording the certificate of sale;
- 29 2. a title search fee, not to exceed \$250;
- 30 3. the postage and certified mailing costs for the notices  
31 required under § 14-833(a-1) of this subtitle; and
- 32 4. [reasonable attorney's fees, not to exceed \$500]  
33 **ATTORNEY'S FEES IN THE AMOUNT OF \$500, WHICH AMOUNT SHALL BE DEEMED**

1 **REASONABLE FOR WORK PERFORMED PRIOR TO FILING AN ACTION TO FORECLOSE**  
2 **THE RIGHT OF REDEMPTION.**

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

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

6 1. \$1,300 if an affidavit of compliance has not been filed,  
7 which amount shall be deemed reasonable for both the preparation and filing of the action  
8 to foreclose the right of redemption; or

9 2. \$1,500 if an affidavit of compliance has been filed, which  
10 amount shall be deemed reasonable for both the preparation and filing of the action to  
11 foreclose the right of redemption;

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

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

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

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

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

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

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

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

30 6. posting fee;

31 7. postage and certified mail;

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

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

5                   10.      any court approved expense for stabilization or conversion  
6 of the property under § 14–830 of this subtitle or in accordance with an action taken against  
7 the property by the county in which the property is located in accordance with the  
8 applicable building, fire, health, or safety codes.

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

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

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

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

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

26                   (ii)     In Baltimore City, for owner–occupied residential property, the  
27 plaintiff or holder of a certificate of sale may not be reimbursed for expenses incurred within  
28 7 months after the date of sale.

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

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

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

34                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
35 1, 2017.