

## Chapter 271

**(House Bill 43)**

AN ACT concerning

**Property Tax – Tax Sales – Payment of Balance After Foreclosure**

FOR the purpose of requiring each county to establish a process for a person entitled to a certain balance to claim the balance after a tax sale foreclosure; requiring the collector of taxes for a county to notify the prior property owner after a tax sale foreclosure of the amount of a certain balance and the process for claiming the balance; and generally relating to tax sales.

BY repealing and reenacting, with amendments,  
 Article – Tax – Property  
 Section 14–818  
 Annotated Code of Maryland  
 (2019 Replacement Volume and 2022 Supplement)

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

**Article – Tax – Property**

14–818.

(a) (1) (i) The payment of the purchase price and the high–bid premium, if any, shall be on the terms required by the collector. Except as provided in subparagraphs (ii) and (iii) of this paragraph and § 14–826 of this subtitle, the collector shall require the purchaser to pay, not later than the day after the sale, the full amount of taxes due on the property sold, whether the taxes are in arrears or not, together with interest and penalties on the taxes, expenses incurred in making the sale, and the high–bid premium, if any. The residue of the purchase price remains on credit.

(ii) In Washington County, the collector shall require the purchaser to pay on the day of the sale the full amount of taxes due on the property sold, whether the taxes are in arrears or not, together with interest and penalties on the taxes, and expenses incurred in making the sale.

(iii) In Baltimore City, when abandoned property is sold for less than the full amount of taxes due on the property, the collector shall require the purchaser to pay, not later than the day after the sale:

1. the full amount bid; and
2. the expenses incurred in making the sale.

(2) After the final decree has been passed foreclosing the right of redemption in any property, the collector may not execute or deliver a deed to any purchaser other than the governing body of a county until the balance of the purchase price has been paid in full, together with all taxes and interest and penalties on the taxes accruing after the date of sale.

(3) On receiving the balance and after accrued taxes and interest and penalties on the taxes, the collector shall execute and deliver a proper deed to the purchaser.

(4) Any balance over the amount required for the payment of taxes, interest, penalties, and costs of sale shall be paid by the collector to:

(i) the person entitled to the balance; or

(ii) when there is a dispute regarding payment of the balance, a court of competent jurisdiction pending a court order to determine the proper distribution of the balance.

**(5) (I) EACH COUNTY SHALL ESTABLISH A PROCESS FOR A PERSON ENTITLED TO ANY BALANCE OVER THE AMOUNT REQUIRED FOR THE PAYMENT OF TAXES, INTEREST, PENALTIES, AND COSTS OF SALE TO CLAIM THE BALANCE.**

**(II) THE PROCESS REQUIRED UNDER THIS PARAGRAPH:**

**1. SHALL APPLY UNIFORMLY TO ALL CLAIMS FOR BALANCES WITHIN THE COUNTY; AND**

**2. MAY NOT REQUIRE A COURT ORDER, UNLESS THERE IS A DISPUTE REGARDING PAYMENT OF THE BALANCE.**

**(6) WITHIN 90 DAYS AFTER DELIVERING A DEED TO A PURCHASER, THE COLLECTOR SHALL NOTIFY THE PRIOR PROPERTY OWNER OF RECORD OF:**

**(I) THE AMOUNT OF ANY BALANCE OVER THE AMOUNT REQUIRED FOR THE PAYMENT OF TAXES, INTEREST, PENALTIES, AND COSTS OF SALE; AND**

**(II) THE PROCESS ESTABLISHED UNDER PARAGRAPH (5) OF THIS SUBSECTION BY WHICH THE PRIOR PROPERTY OWNER MAY CLAIM THE BALANCE.**

(b) In Washington County, any money held by the collector under subsection (a)

of this section may be deposited in an interest-bearing account in a commercial bank. Any interest accrued is paid to the general fund of Washington County.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2023.

**Approved by the Governor, May 3, 2023.**