

# HOUSE BILL 43

Q1

3lr0861

(PRE-FILED)

---

By: **Delegate Atterbeary**

Requested: November 17, 2022

Introduced and read first time: January 11, 2023

Assigned to: Ways and Means

---

## A BILL ENTITLED

1 AN ACT concerning

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

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

8 BY repealing and reenacting, with amendments,

9 Article – Tax – Property

10 Section 14–818

11 Annotated Code of Maryland

12 (2019 Replacement Volume and 2022 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

14 That the Laws of Maryland read as follows:

15 **Article – Tax – Property**

16 14–818.

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

24 (ii) In Washington County, the collector shall require the purchaser

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 to pay on the day of the sale the full amount of taxes due on the property sold, whether the  
2 taxes are in arrears or not, together with interest and penalties on the taxes, and expenses  
3 incurred in making the sale.

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

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

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

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

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

- 19 (i) the person entitled to the balance; or
- 20 (ii) when there is a dispute regarding payment of the balance, a court  
21 of competent jurisdiction pending a court order to determine the proper distribution of the  
22 balance.

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

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

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

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

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

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

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

7           (b) In Washington County, any money held by the collector under subsection (a)  
8 of this section may be deposited in an interest-bearing account in a commercial bank. Any  
9 interest accrued is paid to the general fund of Washington County.

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