

# HOUSE BILL 779

Q2, Q1

3lr1302  
CF SB 518

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By: **Delegates Buckel, Grossman, and Hinebaugh**

Introduced and read first time: February 8, 2023

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Revisions**

3 FOR the purpose of authorizing the governing body of a county or municipal corporation to  
4 file a motion with a court to request that a certain certificate of sale be assigned to  
5 the governing body of the county or municipal corporation in a certain foreclosure  
6 action under certain circumstances; providing that, on a grant of the motion by the  
7 court, the holder of the certificate of sale forfeits certain rights and the amount paid  
8 to acquire the certificate of sale; authorizing a court, under certain circumstances, to  
9 strike the final judgment in a tax sale action foreclosing the right of redemption in a  
10 property and grant the governing body of a county or municipal corporation the right  
11 to pay the balance of the purchase price due on the property; requiring a court to  
12 direct a tax collector to execute a deed to the governing body of a county or municipal  
13 corporation on payment by the governing body of the purchase price due on the  
14 property; requiring the governing body of a county or municipal corporation to take  
15 title to the property in a certain manner; authorizing a county or municipal  
16 corporation to withhold a property from tax sale if the county or municipal  
17 corporation intends to demolish a vacant and blighted building or structure on the  
18 property; requiring the collector of taxes to deliver a certificate of sale to the  
19 governing body of a county or municipal corporation for each property withheld from  
20 sale by the county or municipal corporation under certain provisions of law; applying  
21 certain provisions of this Act retroactively; and generally relating to tax sales.

22 BY adding to  
23 Article – Tax – Property  
24 Section 14–820.1 and 14–821(c)  
25 Annotated Code of Maryland  
26 (2019 Replacement Volume and 2022 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article – Tax – Property  
29 Section 14–811(c) and 14–847

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2019 Replacement Volume and 2022 Supplement)

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

5 **Article – Tax – Property**

6 14–821.

7 **(C) (1) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL**  
8 **CORPORATION MAY FILE A MOTION WITH THE COURT REQUESTING THAT A**  
9 **CERTIFICATE OF SALE BE ASSIGNED TO THE GOVERNING BODY OF THE COUNTY OR**  
10 **MUNICIPAL CORPORATION IF:**

11 **(I) A FORECLOSURE ACTION HAS BEEN INITIATED BY THE**  
12 **HOLDER OF THE CERTIFICATE OF SALE IN ACCORDANCE WITH THIS SUBTITLE; AND**

13 **(II) THE FORECLOSURE ACTION IS SUBJECT TO DISMISSAL FOR**  
14 **A LACK OF PROSECUTION UNDER MARYLAND RULE 2–507 OR A MOTION FOR THE**  
15 **ENTRY OF A FINAL ORDER HAS NOT BEEN FILED IN THE FORECLOSURE ACTION**  
16 **WITHIN 18 MONTHS AFTER THE FILING OF THE COMPLAINT, WHICHEVER IS**  
17 **EARLIER.**

18 **(2) ON THE FILING OF A MOTION UNDER THIS SUBSECTION, THE**  
19 **COURT SHALL DIRECT THE HOLDER OF THE CERTIFICATE OF SALE TO SHOW GOOD**  
20 **CAUSE AS TO WHY THE COURT SHOULD NOT GRANT THE MOTION.**

21 **(3) IF THE HOLDER OF THE CERTIFICATE OF SALE FAILS TO RESPOND**  
22 **TO THE MOTION IN ACCORDANCE WITH THE MARYLAND RULES, THE COURT SHALL**  
23 **GRANT THE MOTION.**

24 **(4) IF A COURT GRANTS A MOTION UNDER THIS SUBSECTION, THE**  
25 **HOLDER OF THE CERTIFICATE OF SALE SHALL FORFEIT:**

26 **(I) ANY RIGHTS UNDER THE CERTIFICATE OF SALE; AND**

27 **(II) THE AMOUNT PAID TO ACQUIRE THE CERTIFICATE OF SALE.**

28 14–847.

29 (a) (1) **(I)** Except as provided in paragraph (2) of this subsection, the  
30 judgment of the court shall direct the collector to execute a deed to the holder of the  
31 certificate of sale in fee simple or in leasehold, as appropriate, on payment to the collector

1 of the balance of the purchase price, due on account of the purchase price of the property,  
2 together with all taxes and interest and penalties on the property that accrue after the date  
3 of sale.

4 (II) The judgment shall direct the supervisor to enroll the holder of  
5 the certificate of sale in fee simple or in leasehold, as appropriate, as the owner of the  
6 property.

7 (2) In Frederick County, if the collector is absent, the deed may be executed  
8 by a deputy collector designated by the collector.

9 (b) The deed shall be prepared by the holder of the certificate of sale or the  
10 attorney for the holder of the certificate of sale and all expenses incident to the preparation  
11 and execution of the deed shall be paid by the holder of the certificate of sale.

12 (c) The clerk of the court in which the suit is instituted shall issue a certified copy  
13 of the judgment of the court to the collector and supervisor and the collector is not obligated  
14 to execute the deed provided for in this section until that certified copy of the judgment is  
15 delivered to the collector.

16 (d) (1) If the holder of the certificate of sale does not comply with the terms of  
17 the final judgment of the court within 90 days as to payments to the collector of the balance  
18 of the purchase price due on account of the purchase price of the property and of all taxes,  
19 interest, and penalties that accrue after the date of sale, that judgment may be stricken by  
20 the court on the motion of an interested party for good cause shown.

21 (2) In Baltimore City, a certificate holder who has been enrolled as the  
22 owner of the property under subsection (a) of this section is not an interested party within  
23 the meaning of this subsection.

24 (3) IF THE HOLDER OF THE CERTIFICATE OF SALE DOES NOT COMPLY  
25 WITH THE TERMS OF THE FINAL JUDGMENT OF THE COURT WITHIN 90 DAYS AS TO  
26 PAYMENTS TO THE COLLECTOR OF THE BALANCE OF THE PURCHASE PRICE DUE ON  
27 ACCOUNT OF THE PURCHASE PRICE OF THE PROPERTY AND OF ALL TAXES,  
28 INTEREST, AND PENALTIES THAT ACCRUE AFTER THE DATE OF SALE, AND NO  
29 MOTION HAS BEEN FILED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COURT  
30 MAY, ON MOTION OF THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL  
31 CORPORATION IN WHICH THE PROPERTY IS LOCATED, FOR GOOD CAUSE SHOWN,  
32 ENTER A JUDGMENT:

33 (I) STRIKING THE FINAL JUDGMENT OF THE COURT;

34 (II) DIRECTING THE COLLECTOR TO EXECUTE A DEED  
35 PREPARED BY THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION  
36 IN FEE SIMPLE, ON PAYMENT TO THE COLLECTOR OF THE BALANCE OF THE  
37 PURCHASE PRICE DUE ON ACCOUNT OF THE PURCHASE PRICE OF THE PROPERTY

1 AND OF ALL TAXES, INTEREST, AND PENALTIES THAT ACCRUE AFTER THE DATE OF  
2 SALE; AND

3 (III) VESTING TITLE TO THE PROPERTY IN THE GOVERNING BODY  
4 OF THE COUNTY OR MUNICIPAL CORPORATION IN FEE SIMPLE, FREE AND CLEAR OF  
5 ALL ALIENATIONS AND DESCENTS OF THE PROPERTY OCCURRING BEFORE THE  
6 DATE OF THE FINAL JUDGMENT AND ENCUMBRANCES ON THE PROPERTY, EXCEPT  
7 ANY TAXES THAT ACCRUE AFTER THE DATE OF SALE AND EASEMENTS OF RECORD  
8 AND ANY OTHER EASEMENT THAT MAY BE OBSERVED BY AN INSPECTION OF THE  
9 PROPERTY TO WHICH THE PROPERTY IS SUBJECT.

10 (4) IF A HOLDER OF A CERTIFICATE OF SALE SUBMITS A DEED UNDER  
11 SUBSECTION (B) OF THIS SECTION FOR THE PROPERTY TO THE GOVERNING BODY OF  
12 THE COUNTY OR MUNICIPAL CORPORATION BEFORE A JUDGMENT UNDER  
13 PARAGRAPH (1) OR (3) OF THIS SUBSECTION IS ENTERED, THE MOTION UNDER  
14 PARAGRAPH (1) OR (3) OF THIS SUBSECTION SHALL BE DENIED AS MOOT.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
16 as follows:

17 **Article – Tax – Property**

18 14–811.

19 (c) Except as provided in subsection (d) of this section, the governing body of a  
20 county or municipal corporation may withhold from sale property that:

21 (1) HAS A VACANT BUILDING OR STRUCTURE THAT THE COUNTY OR  
22 MUNICIPAL CORPORATION INTENDS TO DEMOLISH BECAUSE THE BUILDING OR  
23 STRUCTURE IS UNSAFE OR UNFIT FOR HABITATION; OR

24 (2) has been designated for redevelopment purposes if:

25 [(1)] (I) the county or municipal corporation certifies that the property:

26 [(i)] 1. is a vacant lot; or

27 [(ii)] 2. has a building or structure that is:

28 [1.] A. vacant; and

29 [2.] B. unsafe or unfit for habitation;

30 [(2)] (II) the governing body of the county or municipal corporation finds  
31 that withholding the property from sale under this subsection is necessary:

1                    [(i)] 1.     to eliminate a blighting influence; and

2                    [(ii)] 2.     to prevent the tax abandonment of the property; and

3                    [(3)] (III) the property meets any additional objective criteria established  
4 by the governing body of the county or municipal corporation for withholding property from  
5 sale for redevelopment purposes.

6 **14-820.1.**

7                    **THE COLLECTOR SHALL DELIVER A CERTIFICATE OF SALE TO THE**  
8 **GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION FOR EACH PROPERTY**  
9 **WITHHELD FROM SALE BY THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL**  
10 **CORPORATION UNDER § 14-811(C) OF THIS SUBTITLE.**

11                    SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be  
12 construed to apply retroactively and shall be applied to and interpreted to affect tax sale  
13 actions foreclosing the right of redemption in properties that are pending on enactment of  
14 this Act.

15                    SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
16 1, 2023.