

HOUSE BILL 921

Q2, Q1

3lr2092
CF SB 855

By: **Delegate Smith**

Introduced and read first time: February 9, 2023

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2023

CHAPTER _____

1 AN ACT concerning

2 **Baltimore City – Property Tax – In Rem Foreclosure of Vacant or Nuisance**
3 **Property**

4 FOR the purpose of authorizing certain vacant property ~~and~~ or nuisance property located
5 in Baltimore City to be subject to a certain in rem foreclosure process; ~~requiring~~
6 ~~service of a complaint for in rem foreclosure to be served in accordance with the~~
7 ~~Maryland Rules; providing for the distribution of surplus proceeds from the sale of~~
8 ~~property subject to an in rem foreclosure; authorizing an in rem foreclosure order to~~
9 ~~be set aside under certain circumstances; providing for the redemption amounts~~
10 ~~required to be paid when an in rem foreclosure is set aside; requiring certain~~
11 procedures for an in rem foreclosure; requiring Baltimore City to take certain actions
12 to compensate the interested parties in property that has value and is acquired
13 through an in rem foreclosure; specifying the title acquired in an in rem foreclosure;
14 specifying the circumstances under which an in rem foreclosure judgment may be
15 reopened; and generally relating to in rem foreclosure of vacant or nuisance property
16 in Baltimore City.

17 ~~BY repealing and reenacting, with amendments,~~
18 ~~Article – Tax – Property~~
19 ~~Section 14-874 through 14-876~~
20 ~~Annotated Code of Maryland~~
21 ~~(2019 Replacement Volume and 2022 Supplement)~~

22 BY adding to
23 Article – Tax – Property

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section ~~14-877 and 14-878~~ 14-894 to be under the new part “Part VIII. Baltimore
 2 City Judicial In Rem Foreclosure for Vacant or Nuisance Property”
 3 Annotated Code of Maryland
 4 (2019 Replacement Volume and 2022 Supplement)

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

7 **Article – Tax – Property**

8 ~~14-874.~~

9 ~~(a) (1) [Real] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~
 10 ~~SUBSECTION, REAL property may be subject to foreclosure and sale under this part only~~
 11 ~~if:~~

12 ~~[(1)] (I) the property consists of a vacant lot or improved property cited~~
 13 ~~as vacant and unsafe or unfit for habitation or other authorized use on a housing or building~~
 14 ~~violation notice; and~~

15 ~~[(2)] (II) the total amount of liens for unpaid taxes on the property exceeds~~
 16 ~~the lesser of the total value of the property as last determined by the Department or as~~
 17 ~~determined by an appraisal report prepared not more than 6 months before the filing of a~~
 18 ~~complaint under this section by a real estate appraiser who is licensed under Title 16 of the~~
 19 ~~Business Occupations and Professions Article.~~

20 ~~(2) REAL PROPERTY LOCATED IN BALTIMORE CITY MAY BE SUBJECT~~
 21 ~~TO FORECLOSURE AND SALE UNDER THIS PART IF:~~

22 ~~(I) THE PROPERTY IS A VACANT PROPERTY OR A NUISANCE~~
 23 ~~PROPERTY, AS DETERMINED UNDER THE BALTIMORE CITY BUILDING CODE; AND~~

24 ~~(II) THE TOTAL AMOUNT OF LIENS FOR UNPAID TAXES ON THE~~
 25 ~~PROPERTY EXCEEDS A PERCENTAGE OF THE TOTAL VALUE OF THE PROPERTY SET~~
 26 ~~BY LOCAL ORDINANCE BASED ON THE VALUE OF THE PROPERTY AS LAST~~
 27 ~~DETERMINED BY THE DEPARTMENT OR AS DETERMINED BY AN APPRAISAL REPORT~~
 28 ~~PREPARED NOT MORE THAN 6 MONTHS BEFORE THE FILING OF A COMPLAINT UNDER~~
 29 ~~THIS SECTION BY A REAL ESTATE APPRAISER WHO IS LICENSED UNDER TITLE 16 OF~~
 30 ~~THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.~~

31 ~~(b) (1) A county or municipal corporation may authorize by law an in rem~~
 32 ~~foreclosure in accordance with this part.~~

33 ~~(2) A law that authorizes an in rem foreclosure shall:~~

1 ~~(i) state the date after which real property may be subject to in rem~~
2 ~~foreclosure under this part;~~

3 ~~(ii) establish criteria for designating real property to be foreclosed~~
4 ~~under this part;~~

5 ~~(iii) authorize the county or municipal corporation to file a complaint~~
6 ~~for an in rem foreclosure under this part; and~~

7 ~~(iv) include administrative rules and procedures necessary to carry~~
8 ~~out an in rem foreclosure under this part.~~

9 ~~(e) (1) Subject to subsection (d) of this section, a county or municipal~~
10 ~~corporation may authorize, by law, the sale of real property after an in rem foreclosure and~~
11 ~~designate real property to be sold under this part.~~

12 ~~(2) A law that authorizes a sale of real property after an in rem foreclosure~~
13 ~~shall:~~

14 ~~(i) state the date after which the real property may be subject to sale~~
15 ~~after an in rem foreclosure under this part;~~

16 ~~(ii) establish criteria for designating real property to be sold under~~
17 ~~this part; and~~

18 ~~(iii) include administrative rules and procedures necessary to carry~~
19 ~~out a sale under this part.~~

20 ~~(d) [Only] EXCEPT AS PROVIDED IN SUBSECTION (A)(2) OF THIS SECTION,~~
21 ~~ONLY real property that consists of a vacant lot or improved property cited as vacant and~~
22 ~~unsafe or unfit for habitation or other authorized use on a housing or building violation~~
23 ~~notice may be sold under this part.~~

24 ~~14-875.~~

25 ~~(a) A county or municipal corporation may file a complaint for an in rem~~
26 ~~foreclosure action in accordance with this part.~~

27 ~~(b) The county or municipal corporation may not file a complaint for an in rem~~
28 ~~foreclosure action unless:~~

29 ~~(1) the tax on the real property has been delinquent for at least 6 months;~~
30 ~~and~~

31 ~~(2) (1) the right to appeal the notice of the property as vacant and~~
32 ~~unsafe or unfit has tolled; OR~~

~~(H) THE RIGHT TO APPEAL THE NOTICE OF THE PROPERTY AS VACANT PROPERTY OR A NUISANCE PROPERTY, AS DETERMINED UNDER THE BALTIMORE CITY BUILDING CODE, HAS TOLLED.~~

~~(e) All taxes shall:~~

~~(1) be included in the foreclosure action; and~~

~~(2) cease to be a lien against the real property if a judgment is entered foreclosing the existing interests of all interested parties in the real property.~~

~~(d) The county or municipal corporation shall:~~

~~(1) file the complaint for an in rem foreclosure in the circuit court of the county where the real property is located; and~~

~~(2) [within 5 days after filing the complaint, send notice and a copy of] SERVE the complaint to each interested party [by first class mail and certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service] IN ACCORDANCE WITH THE MARYLAND RULES.~~

~~(e) The complaint for an in rem foreclosure shall include:~~

~~(1) the identity of the county or municipal corporation on behalf of which the complaint is filed;~~

~~(2) the name and address of the county or municipal corporation;~~

~~(3) a description of the real property as it appears in the county land records;~~

~~(4) the tax identification number of the real property;~~

~~(5) a statement that the taxes are delinquent at the time of the filing;~~

~~(6) the amount of taxes that are delinquent as of the date of filing;~~

~~(7) the names and last known addresses of all interested parties in the real property and, if applicable, a statement that the address of a particular interested party in the real property is unknown;~~

~~(8) a statement that the real property is:~~

~~(i) a vacant lot or improved property cited as vacant and unsafe or unfit for habitation or other authorized use on a housing or building violation notice; OR~~

~~(H) A VACANT PROPERTY OR A NUISANCE PROPERTY, AS DETERMINED UNDER THE BALTIMORE CITY BUILDING CODE;~~

~~(9) copies of any violation notice cited under paragraph (8) of this subsection;~~

~~(10) a request that the circuit court not schedule a hearing on the complaint until 30 days after the date that the complaint is filed; and~~

~~(11) a request that the circuit court enter a judgment that forecloses the existing interests of all interested parties in the real property and orders ownership of the real property to be transferred to the county or municipal corporation.~~

~~(f) A complaint for an in rem foreclosure may be amended to include all taxes that become delinquent after the commencement of the in rem foreclosure action.~~

~~(g) (1) Subject to paragraph (2) of this subsection, an interested party has the right to cure the delinquent taxes and liens on the real property by paying all past due fees, payments, and penalties at any time before the entry of the foreclosure judgment.~~

~~(2) The right to cure the delinquent taxes and liens on the real property extinguishes once the foreclosure judgment is entered.~~

~~14-876.~~

~~(a) A circuit court may not set a hearing for an in rem foreclosure until 30 days after the complaint for an in rem foreclosure is filed.~~

~~(b) At the hearing, any interested party shall have the right to be heard and to contest the delinquency of the taxes and the adequacy of the proceedings.~~

~~(c) If the circuit court finds that the county or municipal corporation sent notice and a copy of the complaint to each interested party in accordance with § 14-875(d) of this subtitle and that the information set forth in the complaint is accurate, the court shall:~~

~~(1) enter a judgment that:~~

~~(i) proper notice has been provided to all interested parties; and~~

~~(ii) the real property is:~~

~~1. a vacant lot or an improved property cited as vacant and unsafe or unfit for habitation or other authorized use on a housing or building violation notice; OR~~

~~2. A VACANT PROPERTY OR A NUISANCE PROPERTY, AS DETERMINED UNDER THE BALTIMORE CITY BUILDING CODE; and~~

~~(2) order that ownership of the real property be transferred to the county or municipal corporation on behalf of which the complaint was filed.~~

~~(d) (1) The county or municipal corporation shall record a judgment under subsection (c) of this section in the land records of the county.~~

~~(2) The title acquired in an in rem foreclosure proceeding shall be an absolute or fee simple title including the right, title, and interest of each of the defendants in the proceeding whose property has been foreclosed unless a different title is specified in the judgment entered.~~

~~(3) A judgment in an action under this part is binding and conclusive, regardless of legal disability, on:~~

~~(i) all persons, known and unknown, who were parties to the action and who had a claim to the property, whether present or future, vested or contingent, legal or equitable, or several or undivided; and~~

~~(ii) all persons who were not parties to the action and had a claim to the property that was not recorded at the time that the action was commenced.~~

~~14-877.~~

~~(A) IN THIS SECTION, "SURPLUS PROCEEDS" MEANS THE PROCEEDS FROM THE SALE OF PROPERTY SOLD WITHIN 1 YEAR FROM WHEN THE PROPERTY WAS OBTAINED BY A COUNTY OR MUNICIPAL CORPORATION THROUGH AN IN REM FORECLOSURE, THAT EXCEED THE SUM OF:~~

~~(1) THE DELINQUENT TAXES, FEES, AND PENALTIES ON THE PROPERTY; AND~~

~~(2) THE VALUE OF ALL IMPROVEMENTS MADE ON THE PROPERTY AND ALL COSTS INCURRED WITH RESPECT TO DEVELOPMENT OF THE PROPERTY PRIOR TO THE SALE BY THE COUNTY OR MUNICIPAL CORPORATION.~~

~~(B) (1) SURPLUS PROCEEDS SHALL BE HELD BY A COUNTY OR MUNICIPALITY FOR A PERIOD OF 12 MONTHS.~~

~~(2) AFTER 12 MONTHS, SURPLUS PROCEEDS SHALL BE DISTRIBUTED TO ANY PERSON WITH AN OUTSTANDING CLAIM ON THE PROPERTY, IN ORDER OF PRIORITY.~~

~~(C) EACH COUNTY AND MUNICIPALITY SHALL MAINTAIN A LIST OF PROPERTIES OBTAINED THROUGH IN REM FORECLOSURE THAT HAVE BEEN SOLD WITHIN 1 YEAR FROM WHEN THE PROPERTY WAS OBTAINED AND FOR WHICH THE SALE HAS RESULTED IN SURPLUS PROCEEDS.~~

~~14-878.~~

~~(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A COURT MAY NOT REOPEN A JUDGMENT RENDERED IN AN IN REM FORECLOSURE PROCEEDING IN ACCORDANCE WITH THIS PART EXCEPT ON THE GROUND OF LACK OF JURISDICTION OR FRAUD IN THE CONDUCT OF THE PROCEEDINGS TO FORECLOSE.~~

~~(2) A COURT MAY NOT REOPEN ANY JUDGMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION ON THE GROUND OF CONSTRUCTIVE FRAUD IN THE CONDUCT OF THE PROCEEDINGS TO FORECLOSE UNLESS AN APPLICATION TO REOPEN A JUDGMENT RENDERED IS FILED WITHIN 1 YEAR FROM THE DATE OF THE JUDGMENT.~~

~~(B) A PLAINTIFF IN AN ACTION TO REOPEN AN IN REM FORECLOSURE JUDGMENT SHALL:~~

~~(1) EXCEPT AS PROVIDED IN SUBSECTION (A)(2) OF THIS SECTION, FILE THE ACTION WITHIN 3 YEARS OF THE ISSUANCE OF THE IN REM FORECLOSURE JUDGMENT; AND~~

~~(2) WITHIN 30 DAYS OF FILING THE ACTION, SUBMIT EVIDENCE TO THE COURT THAT THE PLAINTIFF HAS OBTAINED A BOND EQUAL TO THE REASONABLE VALUE OF THE PROPERTY.~~

~~(C) IF AN IN REM FORECLOSURE JUDGMENT OF THE COURT IS SET ASIDE, THE AMOUNT REQUIRED TO REDEEM IS:~~

~~(1) THE AMOUNT REQUIRED BY THIS SUBTITLE; AND~~

~~(2) THE REASONABLE VALUE, AT THE DATE THE JUDGMENT IS SET ASIDE, OF ALL IMPROVEMENTS MADE ON THE PROPERTY AND ALL COSTS INCURRED WITH RESPECT TO DEVELOPMENT OF THE PROPERTY BY THE PURCHASER AND THE PURCHASER'S SUCCESSORS IN INTEREST.~~

14-892. RESERVED.

14-893. RESERVED.

PART VIII. BALTIMORE CITY JUDICIAL IN REM FORECLOSURE FOR VACANT OR
NUISANCE PROPERTY.

14-894.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.

(2) "INTERESTED PARTY" MEANS ANY PERSON HAVING AN INTEREST
IN A VACANT OR NUISANCE PROPERTY:

(I) WHO LAST APPEARS AS OWNER OF THE PROPERTY ON THE
COLLECTOR'S TAX ROLL;

(II) WHO IS A MORTGAGEE OF THE PROPERTY OR ASSIGNEE OF
A MORTGAGE OF RECORD;

(III) WHO IS A HOLDER OF A BENEFICIAL INTEREST IN A DEED OF
TRUST RECORDED AGAINST THE PROPERTY;

(IV) WHO IS A TAXING AGENCY THAT HAS THE AUTHORITY TO
COLLECT TAX ON THE PROPERTY; OR

(V) WHOSE IDENTITY AND ADDRESS ARE:

1. REASONABLY ASCERTAINABLE FROM THE COUNTY
LAND RECORDS; OR

2. REVEALED BY A FULL TITLE SEARCH CONSISTING OF
AT LEAST 50 YEARS.

(3) "TAX" HAS THE MEANING STATED IN § 14-801 OF THIS SUBTITLE.

(4) "VACANT OR NUISANCE PROPERTY" MEANS A VACANT LOT OR
IMPROVED PROPERTY DETERMINED TO BE A VACANT PROPERTY OR A NUISANCE
PROPERTY UNDER THE BALTIMORE CITY BUILDING CODE.

(5) "VALUE" MEANS THAT THE TOTAL AMOUNT OF LIENS FOR UNPAID
TAXES ON A PROPERTY DOES NOT EXCEED THE LESSER OF THE TOTAL VALUE OF THE
PROPERTY AS LAST DETERMINED BY THE DEPARTMENT OR AS DETERMINED BY AN
APPRAISAL REPORT PREPARED NOT MORE THAN 6 MONTHS BEFORE THE FILING OF
A COMPLAINT UNDER THIS SECTION BY A REAL ESTATE APPRAISER WHO IS
LICENSED UNDER TITLE 16 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS
ARTICLE.

1 **(B) (1) IN ACCORDANCE WITH THIS SECTION, BALTIMORE CITY MAY**
2 **AUTHORIZE, BY LAW, AN IN REM FORECLOSURE OF VACANT OR NUISANCE PROPERTY**
3 **ON WHICH THE TAXES ARE IN ARREARS.**

4 **(2) A LAW THAT AUTHORIZES AN IN REM FORECLOSURE OF VACANT**
5 **OR NUISANCE PROPERTY SHALL:**

6 **(I) STATE THE DATE AFTER WHICH REAL PROPERTY MAY BE**
7 **SUBJECT TO IN REM FORECLOSURE;**

8 **(II) ESTABLISH CRITERIA FOR DESIGNATING REAL PROPERTY**
9 **TO BE FORECLOSED UNDER THIS SECTION;**

10 **(III) AUTHORIZE BALTIMORE CITY TO FILE A COMPLAINT FOR**
11 **AN IN REM FORECLOSURE; AND**

12 **(IV) INCLUDE ADMINISTRATIVE RULES AND PROCEDURES**
13 **NECESSARY TO CARRY OUT AN IN REM FORECLOSURE OF VACANT OR NUISANCE**
14 **PROPERTY.**

15 **(C) BALTIMORE CITY MAY NOT FILE A COMPLAINT FOR AN IN REM**
16 **FORECLOSURE ACTION UNDER THIS SECTION UNLESS:**

17 **(1) THE TAXES ON THE REAL PROPERTY HAVE BEEN DELINQUENT**
18 **FOR AT LEAST 6 MONTHS; AND**

19 **(2) THE RIGHT TO APPEAL THE NOTICE OF THE PROPERTY AS VACANT**
20 **OR NUISANCE PROPERTY HAS TOLLED.**

21 **(D) TO INITIATE AN IN REM FORECLOSURE ACTION, BALTIMORE CITY**
22 **SHALL:**

23 **(1) FILE A COMPLAINT FOR AN IN REM FORECLOSURE IN THE CIRCUIT**
24 **COURT FOR BALTIMORE CITY; AND**

25 **(2) SERVE THE COMPLAINT TO EACH INTERESTED PARTY IN**
26 **ACCORDANCE WITH THE MARYLAND RULES.**

27 **(E) ALL TAXES SHALL:**

28 **(1) BE INCLUDED IN THE FORECLOSURE ACTION; AND**

1 **(2) CEASE TO BE A LIEN AGAINST THE PROPERTY IF A JUDGMENT IS**
2 **ENTERED FORECLOSING THE EXISTING INTERESTS OF ALL INTERESTED PARTIES IN**
3 **THE PROPERTY.**

4 **(F) THE COMPLAINT FOR AN IN REM FORECLOSURE SHALL INCLUDE:**

5 **(1) THE NAME AND ADDRESS OF THE APPROPRIATE AGENCY OF**
6 **BALTIMORE CITY;**

7 **(2) A DESCRIPTION OF THE PROPERTY AS IT APPEARS IN THE LAND**
8 **RECORDS;**

9 **(3) THE TAX IDENTIFICATION NUMBER OF THE PROPERTY;**

10 **(4) A STATEMENT THAT THE TAXES ARE DELINQUENT AT THE TIME OF**
11 **THE FILING;**

12 **(5) THE AMOUNT OF TAXES THAT ARE DELINQUENT AS OF THE DATE**
13 **OF THE FILING;**

14 **(6) THE NAMES AND LAST KNOWN ADDRESSES OF ALL INTERESTED**
15 **PARTIES IN THE PROPERTY AND, IF APPLICABLE, A STATEMENT THAT THE ADDRESS**
16 **OF A PARTICULAR INTERESTED PARTY IN THE PROPERTY IS UNKNOWN;**

17 **(7) A STATEMENT THAT THE REAL PROPERTY IS A VACANT OR**
18 **NUISANCE PROPERTY;**

19 **(8) COPIES OF ANY VIOLATION NOTICE CITED UNDER ITEM (7) OF**
20 **THIS SUBSECTION; AND**

21 **(9) A REQUEST THAT THE CIRCUIT COURT ENTER A JUDGMENT THAT**
22 **FORECLOSES THE EXISTING INTERESTS OF ALL INTERESTED PARTIES IN THE REAL**
23 **PROPERTY.**

24 **(G) A COMPLAINT FOR AN IN REM FORECLOSURE MAY BE AMENDED TO**
25 **INCLUDE ALL TAXES THAT BECOME DELINQUENT AFTER THE COMMENCEMENT OF**
26 **THE IN REM FORECLOSURE ACTION.**

27 **(H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN**
28 **INTERESTED PARTY HAS THE RIGHT TO CURE THE DELINQUENT TAXES ON THE**
29 **PROPERTY BY PAYING ALL PAST DUE TAXES AT ANY TIME BEFORE THE ENTRY OF**
30 **THE FORECLOSURE JUDGMENT.**

1 **(2) THE RIGHT TO CURE THE DELINQUENT TAXES ON THE PROPERTY**
2 **IS EXTINGUISHED ONCE THE FORECLOSURE JUDGMENT IS ENTERED.**

3 **(I) THE CIRCUIT COURT MAY NOT SET A HEARING FOR AN IN REM**
4 **FORECLOSURE UNTIL 30 DAYS AFTER THE COMPLAINT FOR AN IN REM**
5 **FORECLOSURE IS FILED.**

6 **(J) AT THE HEARING, ANY INTERESTED PARTY SHALL HAVE THE RIGHT TO**
7 **BE HEARD AND TO CONTEST THE DELINQUENCY OF THE TAXES AND THE ADEQUACY**
8 **OF THE PROCEEDINGS.**

9 **(K) IF THE CIRCUIT COURT FINDS THAT THE COMPLAINT WAS SERVED ON**
10 **EACH INTERESTED PARTY AND THAT THE INFORMATION SET FORTH IN THE**
11 **COMPLAINT IS ACCURATE, THE COURT SHALL:**

12 **(1) ENTER A JUDGMENT THAT:**

13 **(I) PROPER NOTICE HAS BEEN PROVIDED TO ALL INTERESTED**
14 **PARTIES;**

15 **(II) THE REAL PROPERTY IS A VACANT OR NUISANCE PROPERTY;**
16 **AND**

17 **(III) FORECLOSES THE EXISTING INTERESTS OF ALL**
18 **INTERESTED PARTIES IN THE REAL PROPERTY; AND**

19 **(2) ORDER THAT OWNERSHIP OF THE REAL PROPERTY BE**
20 **TRANSFERRED TO BALTIMORE CITY.**

21 **(L) BALTIMORE CITY SHALL RECORD A JUDGMENT UNDER SUBSECTION (K)**
22 **OF THIS SECTION IN THE LAND RECORDS.**

23 **(M) (1) IF PROPERTY SUBJECT TO FORECLOSURE UNDER THIS SECTION**
24 **HAS VALUE, BALTIMORE CITY SHALL:**

25 **(I) SELL THE PROPERTY AT PUBLIC AUCTION IN ACCORDANCE**
26 **WITH SUBSECTION (N) OF THIS SECTION; OR**

27 **(II) COMPENSATE THE INTERESTED PARTIES IN THE PROPERTY**
28 **IN ACCORDANCE WITH SUBSECTION (O) OF THIS SECTION.**

29 **(2) IF PROPERTY SUBJECT TO FORECLOSURE UNDER THIS SECTION**
30 **DOES NOT HAVE VALUE, BALTIMORE CITY MAY RETAIN TITLE TO THE PROPERTY**
31 **WITHOUT PROVIDING COMPENSATION TO THE INTERESTED PARTIES.**

1 **(N) (1) A SALE OF PROPERTY SUBJECT TO FORECLOSURE UNDER THIS**
2 **SECTION SHALL BE CONDUCTED AT PUBLIC AUCTION IN ACCORDANCE WITH THE**
3 **MARYLAND RULES.**

4 **(2) PROPERTY MAY NOT BE SOLD UNTIL AT LEAST 45 DAYS AFTER THE**
5 **ENTRY OF JUDGMENT OF FORECLOSURE.**

6 **(3) THE MINIMUM BID FOR THE SALE OF THE PROPERTY SHALL BE**
7 **THE TOTAL AMOUNT OF LIENS FOR UNPAID TAXES ON THE PROPERTY.**

8 **(4) THE PROPERTY SHALL BE SOLD TO THE PERSON MAKING THE**
9 **HIGHEST BID.**

10 **(5) THE PERSON MAKING THE HIGHEST BID SHALL PAY THE FULL BID**
11 **AMOUNT TO BALTIMORE CITY.**

12 **(6) IF THE MINIMUM BID IS NOT MADE OR EXCEEDED, BALTIMORE**
13 **CITY MAY BID THE MINIMUM BID PRICE AND PURCHASE THE PROPERTY.**

14 **(7) BALTIMORE CITY SHALL DEPOSIT IN AN ESCROW ACCOUNT ANY**
15 **AMOUNT BY WHICH THE HIGHEST BID EXCEEDS:**

16 **(I) THE AMOUNT OF TAXES DUE ON THE PROPERTY; AND**

17 **(II) THE VALUE OF ALL IMPROVEMENTS MADE ON THE**
18 **PROPERTY AND ALL COSTS INCURRED WITH RESPECT TO DEVELOPMENT OF THE**
19 **PROPERTY BEFORE THE SALE OF THE PROPERTY BY BALTIMORE CITY.**

20 **(8) THE CIRCUIT COURT SHALL DISTRIBUTE THE FUNDS DEPOSITED**
21 **INTO THE ESCROW ACCOUNT TO THE INTERESTED PARTIES IN THE ORDER OF**
22 **PRIORITY OF THE INTERESTS OF THE INTERESTED PARTIES.**

23 **(9) AFTER A SALE, BALTIMORE CITY SHALL FILE A NOTICE**
24 **INFORMING THE CIRCUIT COURT OF THE SALE AND STATING THE DATE OF THE SALE,**
25 **THE SALE PRICE, AND THE IDENTITY OF THE PURCHASER.**

26 **(10) A SALE OF A PROPERTY UNDER THIS SECTION IS FINAL AND**
27 **BINDING ON THE MAKER OF THE HIGHEST BID.**

28 **(O) (1) TO COMPENSATE THE INTERESTED PARTIES IN A PROPERTY THAT**
29 **HAS VALUE WITHOUT SELLING THE PROPERTY, BALTIMORE CITY SHALL:**

1 (I) OBTAIN AN APPRAISAL OF THE PROPERTY BY A REAL
2 ESTATE APPRAISER WHO IS LICENSED UNDER TITLE 16 OF THE BUSINESS
3 OCCUPATIONS AND PROFESSIONS ARTICLE; AND

4 (II) DEPOSIT IN AN ESCROW ACCOUNT THE AMOUNT BY WHICH
5 THE APPRAISAL EXCEEDS THE AMOUNT OF TAXES DUE ON THE PROPERTY.

6 (2) THE CIRCUIT COURT SHALL DISTRIBUTE THE FUNDS DEPOSITED
7 INTO THE ESCROW ACCOUNT TO THE INTERESTED PARTIES IN THE ORDER OF
8 PRIORITY OF THE INTERESTS OF THE INTERESTED PARTIES.

9 (P) (1) THE TITLE ACQUIRED IN AN IN REM FORECLOSURE PROCEEDING
10 SHALL BE AN ABSOLUTE OR FEE SIMPLE TITLE INCLUDING THE RIGHT, TITLE, AND
11 INTEREST OF EACH OF THE DEFENDANTS IN THE PROCEEDING WHOSE PROPERTY
12 HAS BEEN FORECLOSED UNLESS A DIFFERENT TITLE IS SPECIFIED IN THE
13 JUDGMENT ENTERED.

14 (2) A JUDGMENT IN AN ACTION UNDER THIS SECTION IS BINDING AND
15 CONCLUSIVE, REGARDLESS OF LEGAL DISABILITY, ON:

16 (I) ALL PERSONS, KNOWN AND UNKNOWN, WHO WERE PARTIES
17 TO THE ACTION AND WHO HAD A CLAIM TO THE PROPERTY, WHETHER PRESENT OR
18 FUTURE, VESTED OR CONTINGENT, LEGAL OR EQUITABLE, OR SEVERAL OR
19 UNDIVIDED; AND

20 (II) ALL PERSONS WHO WERE NOT PARTIES TO THE ACTION AND
21 HAD A CLAIM TO THE PROPERTY THAT WAS NOT RECORDED AT THE TIME THAT THE
22 ACTION WAS COMMENCED.

23 (Q) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
24 COURT MAY NOT REOPEN A JUDGMENT RENDERED IN AN IN REM FORECLOSURE
25 PROCEEDING IN ACCORDANCE WITH THIS SECTION EXCEPT ON THE GROUND OF
26 LACK OF JURISDICTION OR FRAUD IN THE CONDUCT OF THE PROCEEDINGS TO
27 FORECLOSE.

28 (2) A COURT MAY NOT REOPEN ANY JUDGMENT UNDER PARAGRAPH
29 (1) OF THIS SUBSECTION ON THE GROUND OF CONSTRUCTIVE FRAUD IN THE
30 CONDUCT OF THE PROCEEDINGS TO FORECLOSE UNLESS AN APPLICATION TO
31 REOPEN A JUDGMENT RENDERED IS FILED WITHIN 1 YEAR AFTER THE DATE OF THE
32 JUDGMENT.

33 (R) A PLAINTIFF IN AN ACTION TO REOPEN AN IN REM FORECLOSURE
34 JUDGMENT UNDER THIS SECTION SHALL:

1 **(1) EXCEPT AS PROVIDED IN SUBSECTION (Q)(2) OF THIS SECTION,**
2 **FILE THE ACTION WITHIN 3 YEARS AFTER THE ISSUANCE OF THE IN REM**
3 **FORECLOSURE JUDGMENT;**

4 **(2) PAY ALL TAXES DUE ON THE PROPERTY BEFORE FILING THE**
5 **ACTION; AND**

6 **(3) WITHIN 30 DAYS AFTER FILING THE ACTION, SUBMIT EVIDENCE**
7 **TO THE COURT THAT THE PLAINTIFF HAS OBTAINED A BOND EQUAL TO THE**
8 **REASONABLE VALUE OF THE PROPERTY.**

9 **(S) IF AN IN REM FORECLOSURE JUDGMENT OF THE COURT IS SET ASIDE,**
10 **THE AMOUNT REQUIRED TO REDEEM IS EQUAL TO THE SUM OF:**

11 **(1) THE AMOUNT REQUIRED BY THIS SUBTITLE; AND**

12 **(2) THE REASONABLE VALUE, AT THE DATE THE JUDGMENT IS SET**
13 **ASIDE, OF ALL IMPROVEMENTS MADE ON THE PROPERTY AND ALL COSTS INCURRED**
14 **WITH RESPECT TO DEVELOPMENT OF THE PROPERTY BY THE PURCHASER AND THE**
15 **PURCHASER'S SUCCESSORS IN INTEREST.**

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.