

Chapter 274

(House Bill 21)

AN ACT concerning

Property Tax – Tax Sales – Notices and Payoff Amount for Redemption

FOR the purpose of requiring that the holder of a certificate of sale include the e-mail address of certain persons in certain notices required to be sent to certain persons with an interest in a property that is sold at a tax sale; authorizing ~~the owner of~~ certain persons with an interest in owner-occupied property sold at a tax sale to request the current payoff amount to redeem the property; and generally relating to tax sales.

BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 14-833(a-1)(1)

Annotated Code of Maryland

(2019 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 14-833(a-1)(3) and (5)(ii)

Annotated Code of Maryland

(2019 Replacement Volume and 2022 Supplement)

BY adding to

Article – Tax – Property

Section 14-833(a-1)(5)(ii)

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

14-833.

(a-1) (1) The holder of a certificate of sale may not file a complaint to foreclose the right of redemption until at least 2 months after sending the first notice and at least 30 days after sending the second notice required under this subsection to:

(i) the person who last appears as owner of the property on the collector's tax roll; and

(ii) 1. the current mortgagee of the property, assignee of a mortgage of record, or servicer of the current mortgage; or

2. the current holder of a beneficial interest in a deed of trust recorded against the property.

(3) The notices required under this subsection shall include at least the following:

(i) a statement of the fact of the issuance of a certificate of sale;

(ii) a copy of the certificate of sale, if the holder of the certificate of sale received the certificate of sale before the notice was sent under this paragraph;

(iii) a statement that the owner, a mortgage holder, or any other person that has an estate or interest in the property may redeem the property at any time until the right of redemption has been finally foreclosed under the provisions of this subtitle;

(iv) a statement that the holder of the certificate of sale may file an action to foreclose the right of redemption at any time after 2 months from the date of the first notice;

(v) a statement that if the property is redeemed before an action to foreclose the right of redemption is filed, the amount that shall be paid to redeem the property is:

1. the total lien amount on the property at the time of sale, with interest;

2. any taxes, interest, and penalties paid by the holder of the certificate of sale;

3. any delinquent taxes, interest, and penalties accruing after the date of the tax sale; and

4. the following expenses incurred by the holder of the certificate of sale:

A. costs for recording the certificate of sale;

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

C. the postage and certified mailing costs actually incurred for the notices; and

D. reasonable attorney’s fees, not to exceed \$500;

(vi) a statement that if the property is redeemed after an action to foreclose the right of redemption has been filed, the amount that shall be paid to redeem the property is the sum of:

1. the total lien amount on the property at the time of sale, with interest;
2. any taxes, interest, and penalties paid by the holder of the certificate of sale;
3. any delinquent taxes, interest, and penalties accruing after the date of the tax sale; and
4. attorney’s fees and expenses to which the holder of the certificate of sale may be entitled under § 14–843(a)(4) and (5) of this subtitle;

(vii) the provisions of § 14–843(a) of this subtitle, reproduced as they appear in the Code;

(viii) a statement that, in Baltimore City only, the holder of the certificate of sale is entitled to taxes, interest, and penalties paid in accordance with § 14–843(c) of this subtitle and interest at the rate of redemption under § 14–820 of this subtitle from the date of payment to the date of redemption; and

- (ix) the name, address, **E-MAIL ADDRESS**, and telephone number of:
1. the holder of the certificate of sale, or the holder’s agent or attorney; and
 2. the collector who made the sale.

(5) (II) 1. **THIS SUBPARAGRAPH DOES NOT APPLY IN BALTIMORE CITY.**

2. **FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY SOLD UNDER THIS SUBTITLE, ~~PRIOR TO BEFORE~~ THE FILING OF A COMPLAINT TO FORECLOSE THE RIGHT OF REDEMPTION, ~~AN OWNER OF PROPERTY SOLD UNDER THIS SUBTITLE MAY REQUEST~~ THE CURRENT PAYOFF AMOUNT TO REDEEM THE PROPERTY MAY BE REQUESTED BY THE:**

A. OWNER OF THE PROPERTY;

B. CURRENT MORTGAGEE OF THE PROPERTY, ASSIGNEE OF A MORTGAGEE OF RECORD, OR SERVICER OF THE CURRENT MORTGAGE; OR

C. CURRENT HOLDER OF A BENEFICIAL INTEREST IN A DEED OF TRUST RECORDED AGAINST THE PROPERTY.

3. A REQUEST MADE UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH SHALL BE MADE TO THE HOLDER OF THE CERTIFICATE OF SALE BY PHONE, E-MAIL, OR OTHER CONTACT METHOD PROVIDED BY THE HOLDER TO THE COLLECTOR.

4. THE PAYOFF AMOUNT TO REDEEM THE PROPERTY PROVIDED BY THE HOLDER OF THE CERTIFICATE OF SALE IN ACCORDANCE WITH SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH SHALL:

A. INCLUDE ONLY THOSE EXPENSES INCURRED BEFORE THE HOLDER OF THE CERTIFICATE OF SALE RECEIVED THE REQUEST FOR THE PAYOFF AMOUNT; AND

B. BE DEEMED VALID FOR A PERIOD OF 30 DAYS FROM THE DATE THE HOLDER OF THE CERTIFICATE OF SALE PROVIDES THE ~~OWNER OF THE PROPERTY~~ PAYOFF AMOUNT TO THE PERSON WHO REQUESTED THE PAYOFF AMOUNT.

[(ii)] (iii) 1. In Baltimore City, for owner-occupied residential property, prior to the filing of a complaint to foreclose the right of redemption, an owner of property sold under this subtitle may send a request for the current payoff amount to redeem the property.

2. A request made under subsubparagraph 1 of this subparagraph shall be sent to the holder of the certificate of sale by first-class certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service.

3. Within 10 days of delivery of a notice sent under subsubparagraph 1 of this subparagraph, the holder of a certificate of sale shall send the owner of the property, by first-class certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service, the current payoff amount to redeem the property, as of the date the request was made.

4. Except as provided in subsubparagraph 6 of this subparagraph, a holder of a certificate of sale who receives a request for a current payoff amount to redeem property under this subparagraph may not file a complaint to foreclose the right of redemption until the later of:

A. 20 days after the request under subsubparagraph 1 of this subparagraph is received by the holder of the certificate of sale;

B. 10 days after the holder of the certificate of sale sends the owner of the property the current payoff amount to redeem the property; or

C. the date on which a holder of the certificate of sale may file a complaint to foreclose the right of redemption under paragraphs (1) and (4) of this subsection.

5. The payoff amount to redeem the property provided by the holder of the certificate of sale in accordance with subsubparagraph 3 of this subparagraph shall be deemed valid for a period of 30 days from the date the holder of the certificate of sale sends the owner of the property the payoff amount.

6. If the owner of property sends more than 2 requests under subsubparagraph 1 of this subparagraph, the restrictions on filing a complaint to foreclose the right of redemption may not apply to a third or subsequent request.

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

Approved by the Governor, May 3, 2023.