

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 43

(Delegate Atterbeary)

Ways and Means

Budget and Taxation

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

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This bill requires each county to establish a process for a person entitled to any remaining balance of the purchase price of a property sold at a tax sale – over the amount required for the payment of taxes, interest, penalties, and costs of sale – to claim the balance. The process must be applied uniformly to all claims for balances within the county and may not require a court order, unless there is a dispute regarding payment of the balance. Within 90 days of delivering a deed to a purchaser, the tax collector must notify the prior property owner of the amount of any remaining balance and the process established by the county by which the prior property owner may claim the balance.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State finances.

**Local Effect:** The bill is not anticipated to materially affect local government finances.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Subject to limited exceptions, the tax collector must require the purchaser of a property at a tax sale to pay, not later than the day after the sale, the full amount of taxes due on the property including interest and penalties, expenses incurred in making the sale, and a specified high-bid premium, if any. The residue of the purchase price remains on credit. If the property is not redeemed by the property owner and the right of redemption of the property is later foreclosed, 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. Any balance over the amount required for the payment of taxes, interest, penalties, and costs of sale must be paid by the collector to the person entitled to the balance or, where there is a dispute regarding payment of the balance, to a court of competent jurisdiction pending a court order to determine the proper distribution of the balance.

**Additional Comments:** Descriptions of the tax sale process and related subjects are included on the Office of the State Tax Sale Ombudsman [web page](#) on the State Department of Assessments and Taxation's website, along with the office's most recent annual report, which contains data on tax sales in the State. The office was established in 2020 pursuant to Chapter 730 of 2019.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Anne Arundel, Cecil, Frederick, and Montgomery counties; Maryland Association of Counties; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - January 23, 2023  
rh/sdk Third Reader - May 15, 2023

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