

# HOUSE BILL 16

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4lr0963

(PRE-FILED)

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By: **Delegate Kaiser**

Requested: October 13, 2023

Introduced and read first time: January 10, 2024

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Homeowner Protection Program – Funding**

3 FOR the purpose of requiring each collector of property taxes to include with each property  
4 tax bill a separate insert, designed by the State Tax Sale Ombudsman, that describes  
5 the Homeowner Protection Program and encourages taxpayers to make a voluntary  
6 donation to the Program through a website maintained by the State Department of  
7 Assessments and Taxation; prohibiting the collector from delivering a certificate of  
8 sale to the purchaser of a property at a tax sale until the purchaser has paid a certain  
9 fee to the collector; requiring the fee to be credited to the Homeowner Protection  
10 Fund; and generally relating to funding for the Homeowner Protection Program.

11 BY adding to

12 Article – Tax – Property

13 Section 4–201.1

14 Annotated Code of Maryland

15 (2019 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, with amendments,

17 Article – Tax – Property

18 Section 14–820(a) and 14–891(f)

19 Annotated Code of Maryland

20 (2019 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, without amendments,

22 Article – Tax – Property

23 Section 14–891(a), (b), (c), and (g)

24 Annotated Code of Maryland

25 (2019 Replacement Volume and 2023 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Tax – Property**

4 **4–201.1.**

5 (A) IN THIS SECTION, “PROGRAM” MEANS THE HOMEOWNER PROTECTION  
6 PROGRAM ESTABLISHED UNDER TITLE 14, SUBTITLE 8, PART VII OF THIS ARTICLE.

7 (B) EACH COLLECTOR SHALL INCLUDE WITH EACH PROPERTY TAX BILL A  
8 SEPARATE INSERT THAT:

9 (1) INCLUDES A CONCISE DESCRIPTION OF THE ASSISTANCE THE  
10 PROGRAM PROVIDES TO PREVENT LOW-INCOME, ELDERLY, AND DISABLED  
11 HOMEOWNERS FROM LOSING THEIR HOMES TO TAX SALE FORECLOSURE;

12 (2) MAY INCLUDE TESTIMONY FROM PARTICIPANTS IN THE  
13 PROGRAM; AND

14 (3) SHALL ENCOURAGE TAXPAYERS TO MAKE A VOLUNTARY  
15 DONATION TO THE PROGRAM THROUGH THE WEBSITE MAINTAINED BY THE  
16 DEPARTMENT UNDER SUBSECTION (C) OF THIS SECTION.

17 (C) THE DEPARTMENT SHALL:

18 (1) MAINTAIN A WEBSITE THAT ANY PERSON MAY USE TO MAKE A  
19 VOLUNTARY ONE-TIME OR RECURRING ELECTRONIC DONATION TO THE PROGRAM;  
20 AND

21 (2) CREDIT DONATIONS RECEIVED THROUGH THE WEBSITE TO THE  
22 HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14–891 OF THIS ARTICLE.

23 (D) THE STATE TAX SALE OMBUDSMAN SHALL DESIGN THE SEPARATE  
24 INSERT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION AND PROVIDE THE  
25 INSERT TO EACH COLLECTOR.

26 14–820.

27 (a) (1) [The] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE  
28 collector shall deliver to the purchaser a certificate of sale under the collector’s hand and  
29 seal, or by the collector’s authorized facsimile signature, acknowledged by the collector as  
30 a conveyance of land[, which].

1           **(2) (I) THE COLLECTOR MAY NOT DELIVER A CERTIFICATE OF**  
2 **SALE TO THE PURCHASER UNTIL THE PURCHASER HAS PAID A FEE TO THE**  
3 **COLLECTOR OF \$15 FOR EACH CERTIFICATE ISSUED BY THE COLLECTOR.**

4           **(II) THE FEE IMPOSED UNDER THIS PARAGRAPH SHALL BE**  
5 **CREDITED TO THE HOMEOWNER PROTECTION FUND ESTABLISHED UNDER § 14-891**  
6 **OF THIS SUBTITLE.**

7           **(3) THE certificate OF SALE shall set forth:**

8           **[(1)] (I)** that the property described in it was sold by the collector to the  
9 purchaser;

10           **[(2)] (II)** the date of the sale;

11           **[(3)] (III)** the amount for which the property was sold;

12           **[(4)] (IV)** the total amount of taxes due on the property at the time of sale  
13 together with interest, penalties and expenses incurred in making the sale;

14           **[(5)] (V)** a description of the property in substantially the same form as  
15 the description appearing on the collector's tax roll. If the property is unimproved or has no  
16 street number, and the collector has procured a description of the property from the county  
17 or municipal corporation surveyor, this description shall be included in the certificate of  
18 sale. In Garrett County a copy of the description as required by § 14-813(f) of this subtitle,  
19 as that section relates specifically to Garrett County, shall be included in the certificate of  
20 sale;

21           **[(6)] (VI)** a statement that the rate of redemption is 6% a year, except as  
22 provided in subsection (b) of this section;

23           **[(7)] (VII)** the time when an action to foreclose the right of redemption may  
24 be instituted; and

25           **[(8) (i)] (VIII) 1.** that the certificate will be void unless foreclosure  
26 proceedings are brought within 2 years from the date of the certificate; or

27           **[(ii)] 2.** that, unless foreclosure proceedings are brought within 3  
28 months from the date of the certificate to any abandoned property in Baltimore City sold  
29 under § 14-817(c)(1) of this subtitle with a minimum bid less than the lien amount, the  
30 certificate:

31                   **[1.] A.** is void as to a private purchaser; and

1                                   **[2.] B.**           reverts to the Mayor and City Council for a period  
2 of 2 years from the date of the tax sale.

3 14–891.

4           (a)     In this section, “Fund” means the Homeowner Protection Fund.

5           (b)     There is a Homeowner Protection Fund.

6           (c)     The purpose of the Fund is to finance the Program.

7           (f)     The Fund consists of:

8                   (1)     tax and interest payments made to the Department by homeowners  
9 enrolled in the Program;

10                   **(2)     VOLUNTARY DONATIONS TO THE FUND UNDER § 4–201.1 OF THIS**  
11 **ARTICLE;**

12                   **(3)     REVENUE DISTRIBUTED TO THE FUND UNDER § 14–820(A)(2) OF**  
13 **THIS SUBTITLE;**

14                   **[(2)] (4)**money appropriated in the State budget to the Fund;

15                   **[(3)] (5)**interest earnings; and

16                   **[(4)] (6)**any other money from any other source accepted for the benefit  
17 of the Fund.

18           (g)     For each of fiscal years 2023, 2024, and 2025, the Governor shall include in  
19 the annual budget bill an appropriation of \$750,000 to the Fund.

20           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2024.