

## Tax Sale Timeline

### 4 months after the date of sale –

Holder of tax sale certificate is entitled to attorney's fees not to exceed \$400.00, expenses incurred in preparation for any action to foreclose the right of redemption, and title search fee. *See §14-843(a) and (b).*

### 6 months after the date of sale -

Holder of tax sale certificate may file a complaint to foreclose the right of redemption. *See §14-833(a).*

Holder of tax sale certificate is entitled to *reasonable* attorney's fees **after** an action to foreclose the right of redemption has been filed, expenses incurred in any action or in preparation for any action to foreclose the right of redemption, expenses incurred in the publication and service of process by publication, and title search fee. *See §14-843(a).*

### 2 years of the date of the certificate of sale –

Certificate is void unless proceeding to foreclose right of redemption is filed. *See §14-833(c).*

### Exceptions to the Time Line –

- 1) Baltimore City – Abandoned Property
  - proceeding must be filed within 3 months of the date of the certificate of sale, and
  - unless extension granted by court due to showing of extraordinary circumstances, holder of certificate must obtain a decree within 18 months from the date of the filing of the foreclosure. *See §14-833(2)(i) and (ii).*
  
- 2) Substantial Repairs to Property
  - appropriate government agency certifies that the building or structure requires, or within 6 months shall require, substantial repair to comply with building code, the holder of the certificate may at any time after 60 days from the date of sale file a complaint to foreclose right of redemption and the certification must be attached to the complaint. *See §14-833(e).*

## Right of Redemption

### Right to Redeem -

Right to redeem continues until finally barred by decree. *See §14-833(b)*

Owner or other person that has an estate or interest in the property may redeem at any time until the right of redemption is finally foreclosed by decree. *See §14-827.*

### Who may redeem?

#### 1) Named Defendants – *See §14-836*

- A) Record title holder
- B) Fee Simple and Leasehold owner
- C) Mortgagee
- D) Trustee and Beneficiary under DOT
- E) County
- F) State, if appropriate.

- Plaintiff may choose not to include as defendant any of the above; if so the person's rights are not affected by the proceeding.

2) Any other person that has or claims to have any right, title, interest, claim, lien or equity. Such persons shall be designated as Defendants by the designation "all persons that have or claim to have any interest in the property described as..."

#### 3) Parties of Interest

- Written notice shall be sent to all persons having a recorded interest, claim, or lien, including a judgment, homeowner's association, and any known tenants at the last reasonably ascertainable address, who have not been named as Defendants.

#### 4) Unknown Owners – *See §14-837.*

### How and What to Redeem

Payment to Collector – the taxes, interest and penalties paid at the tax sale, plus taxes, interest and penalties accruing after the date of the tax sale, fees and expenses under §14-843 to the plaintiff or holder of the certificate of tax sale. *See §14-828.*

Fixing Amount Necessary to Redeem – if there is any dispute regarding the amount necessary to redeem and an action to foreclose the right of redemption has been filed, the person redeeming may apply to the court to fix the amount. If filed, the collector may accept no money unless a certified copy of the order fixing the amount is filed with the collector. *See §14-829.*

## Defenses

### Taxes Presumed to be valid –

- Defendant must establish by affirmative defense in an answer the invalidity of the taxes, or the invalidity of the sale. *See §14-842.*

### Legislative Intent –

- §§14-832.1 through 14-854 shall be liberally construed as remedial legislation to encourage the foreclosure of the rights of redemption by suits in the circuit court for the decreeing of marketable titles. *See 14-832.*

### Reopening Judgments – *See §14-845.*

- Court has general revisory power under Md. Rule 2-535 and Courts and Judicial Proceedings §6-408. Court may strike or revise any judgment upon motion filed within 30 days and after 30 days on the grounds of fraud, mistake, or irregularity, or failure of a court employee to perform a duty required by statute or rule.
- Court may not reopen judgment except on the ground of lack of jurisdiction or fraud in the conduct of the proceeding. No reopening of any judgment on the ground of constructive fraud in the conduct of the proceedings shall be entertained unless filed within 1 year from the date of judgment.
- Purpose of section is to promote finality of judgment. *See Haskell v. Carey, 294 Md. 550, 451 A.2d 658 (1982).*
- Legislature has declared that the public interest in marketable titles outweighs considerations of individual hardship except upon a showing of lack of jurisdiction or fraud in the conduct of the proceeding. *See Kaylor v. Wilson, 260 Md. 707, 273 A.2d 185 (1971) and Hardisty v. Kay, 268 Md. 202, 299 A.2d 771 (1973).*
- Notice Requirements and due process of law. *See St. George Antiochian Orthodox Christian Church v. Aggarwal, 326 Md. 90, 603 A.2d 484 (1992), quoting Mennonite Board of Missions v. Adams, 462 U.S. 791, 103 S.Ct. 2706, 77 L.Ed.2d 180 (1983).*
- Vacating a Judgment. *See Canaj, Inc. v. Baker and Division Phase III, 391 Md3 374, 893 A.2d 1067 (2006).*