

REDEMPTION BY OWNERS

The owner or other person having an estate or interest in the property sold has the right to redeem the property tax lien at any time until the right of redemption is finally foreclosed by an order of the Circuit Court (Section 14-827). During this period of redemption, the owner of the property has the right to continue in possession of and to exercise all rights of ownership until such time as the right of redemption is foreclosed (Section 14-830).

To redeem a property tax lien, the owner shall:

- Determine the redemption amount and the need to obtain a release for actual and reasonable expenses from the certificate of sale holder by calling 240-777-0311; during the first four months after the date of the tax sale, properties may be redeemed without payment of the expenses listed below, including legal fees;
- Reimburse the certificate of sale holder for actual and reasonable expenses incurred after a four month waiting period in preparation for any action to foreclose the right of redemption, and obtain a release from the certificate of sale holder, the plaintiff, or their attorney, that all reimbursable fees and expenses, if any, were satisfied; and
- Present the release to the Collector and pay all redemption amount due described below and all taxes in arrears after the tax sale to bring the tax account current. The redemption amount includes the amount due sold at tax sale, any interest computed from the date of the tax sale to the date of the redemption payment (Section 14-828), and reimbursement to the certificate of sale holder for actual and reasonable expenses incurred after a four month waiting period in preparation for any action to foreclose the right of redemption, including fees paid for recording the certificate of sale, for attorney's fees in the sum of up to \$400 for each certificate of sale, for expenses incurred in the publication and service of process by publication, for reasonable fees for a necessary title search, and for taxes (together with interest and penalties) arising after the date of sale that have been paid by the plaintiff or the holder of the certificate of sale (Section 14-843). The current redemption interest rate, as stated on the certificate of sale, is 20 percent per annum. Redemption payment must be made by certified check, cashier's check, or cash to Montgomery County.

When all redemption obligations are satisfied by the owner, the Collector shall:

- Notify the holder of the certificate of sale that the property was redeemed and that the certificate must be surrendered to the Collector; and
- Upon receipt of the certificate of sale, remit all money received for redemption and the high-bid premium, to the holder of the certificate (Section 14-828(c)); the County will refund the high-bid premium, without interest, to the holder of the tax

sale certificate on redemption of the property tax lien or to the plaintiff in an action to foreclose the right of redemption on delivery of a tax sale deed for the property for which the high-bid premium was paid. The high-bid premium is not refundable after the time required (under Section 14-833) for the filing of an action to foreclose the right of redemption, if there has been no redemption and if an action to foreclose the right of redemption has not been filed within that time.

If an action by the purchaser to foreclose the right of redemption was filed and there is a dispute regarding redemption, an order of the Court is required (Section 14-829).

Suggested formats for this release are attached as Exhibits A and B. The property owner is provided with the telephone number of the purchaser of the certificate of sale and is required to secure such release.

ACTIONS TO FORECLOSE

The holder of a certificate of sale may at any time after the expiration of six months from the date of sale, file a complaint in the Circuit Court to foreclose all rights of redemption of the property to which such certificate relates. If this action is not taken within a two-year period subsequent to sale, the certificate is void (Section 14-833).

The certificate of sale must be attached and made a part of the complaint (Section 14-835). The plaintiff in any action to foreclose the right of redemption must be the holder of the certificate of sale. The defendants in the proceedings must be (a) record owner(s) of the property, (b) owner of ground rents, if applicable, (c) mortgage holders and trustees under any deed of trust, (d) the State of Maryland, and (e) the County (Section 14-836).

If the court enters a final judgment for the plaintiff, the judgment must vest in the plaintiff an absolute and indefeasible title in fee simple. If the property, on which the tax lien sold, was subject to ground rent, the judgment must vest a leasehold interest in the plaintiff (Section 14-844).

The final judgment of the Court will direct the Collector to execute a deed upon payment to the Collector of the balance of the purchase price, together with all taxes, interest, penalty and charges accruing subsequent to the sale. The deed is to be prepared by the holder of the certificate of sale or an attorney. The Collector is not obligated to execute the deed until the Clerk of the Court has furnished the Collector with a certified copy of the judgment. If the holder of the certificate does not comply with the terms of the final judgment within 90 days, the judgment may be stricken by the Court upon the motion of an interested party (Section 14-847).

Once a judgment is granted, the plaintiff becomes liable for taxes due after the judgment and for any surplus bid (Section 14-844(d)).

Any person who acquires a deed to property under this subtitle is entitled to issuance of a writ for possession of the property under the Maryland Rules as if the person had obtained a judgment awarding possession of the property (Section 14-850).

Any questions regarding this tax sale information and procedures may be directed by calling 240-777-0311, or mailing to the Montgomery County Division of Treasury, 27 Courthouse Square, Suite 200, Rockville, MD 20850
Attention: Tax Sale Unit.

“Exhibit A”

(Letterhead of Attorney for the Plaintiff)

Date

To: Division of Treasury
27 Courthouse Sq, Suite 200
Rockville, MD 20850

Re: Redemption of Tax Sale

Tax account number:
Name of property owner:
Certificate number:

I confirm that I have received payment in full for the following reimbursable expenses and fees with respect to the subject redemption in accordance with the law. If County taxes are not paid within 30 days of the above date, this confirmation is void.

Legal Fees

| | |
|------------------------|----------|
| 1. Attorney's fees | \$ _____ |
| 2. Title search fee | \$ _____ |
| 3. Recording fee | \$ _____ |
| 4. Court Costs | \$ _____ |
| 5. Publication charges | \$ _____ |
| 6. Other | \$ _____ |
| Total | \$ _____ |

Sincerely,

(Attorney's Signature)

“Exhibit B”

(Prepared by the Tax sale Certificate Holder)

Date

To: Division of Treasury
27 Courthouse Sq, Suite 200
Rockville, MD 20850

Re: Redemption of Tax Sale

Tax account number:
Name of property owner:
Certificate number:

I hereby confirm under the penalties of perjury that I have incurred the following legal expenses with respect to the subject redemption in accordance with the law. I also confirm that I have received full payment for these charges. If County taxes are not paid within 30 days of the date hereof, this confirmation is void.

Legal Fees

| | |
|------------------------|----------|
| 1. Attorney's fees | \$ _____ |
| 2. Title search fee | \$ _____ |
| 3. Recording fee | \$ _____ |
| 4. Court Costs | \$ _____ |
| 5. Publication charges | \$ _____ |
| 6. Other | \$ _____ |
| Total | \$ _____ |

Sincerely,

(Certificate Holder's Signature)