

## **General Information**

The Washington County Maryland tax sale process enables the County to collect all unpaid and delinquent property taxes as required by statute. Legal references for this program are provided in the Tax Property Article of the Annotated Code of Maryland, 2001 Replacement Volume, as amended. All unpaid taxes on real property constitute a lien on the real property from the date they become due until paid (Section 14-804 (a), Section 14-805 (a)). It is mandatory for the Collector to sell any property on which taxes are in arrears (Section 14-808). There may be tax liens pertaining to properties sold for which taxes were paid prior to the sale date or other circumstances rendering the sale invalid or void.

In the event the County determines that a tax sale is invalid and void the County will, as the exclusive remedy available to the bidder/purchaser, reimburse the bidder/purchaser the tax sale purchase price paid, without interest, or any applicable high bid premium paid, without interest.

The tax sale bidder/purchaser assumes all risks of any irregularity of the sale and has no other remedy against the County. The County is not liable for and will not pay the bidder/purchaser any interest, costs, expenses or attorney fees associated with the invalid or void sale. Events that may invalidate a tax sale include, but are not limited to, bankruptcy filings prior to the tax sale, transfer errors on the assessor's records that cause the failure of notice to the proper property owner or sale of incorrect property, payment of taxes prior to the tax sale, issuance of a revised tax bill by the assessor, value changes by the assessor, erroneous service charges, service fees, special improvement levies, Department of Water Quality charges, or Department of Solid Waste charges.

There is no warranty, expressed or implied, that a property has a marketable title or that it contains the area of land which it is said to contain; therefore, the purchaser assumes all risks in that regard. Tax sales are complex proceedings and Washington County recommends that you seek legal advice prior to participation in the annual tax sale.

## **Tax Sale Process**

The sale will be conducted each year on the first Tuesday in June and will take place beginning at 9:00am (Eastern Time) in the rear of the Washington County Office Building located at 35 West Washington Street, Hagerstown, MD. At the tax sale, a property tax lien is offered for sale to the highest bidder. Once sold and the total amount due is paid by the bidder/purchaser to the County, the County's lien on the property passes to the bidder/purchaser.

Each parcel of property subject to sale shall be sold as an entirety as the parcel of property is assessed in the assessment records (Section 14-814). No property tax lien will be sold for a sum less than the advertised price. Tax lien certificates will be auctioned to the highest bidder.

Successful bidders/purchasers who do not make payment for the full amount due for all winning bids by the specified time are considered non-compliant and excluded from the auction and all future tax sale proceedings. At that time, the County reserves the right to make the award to the next highest bidder until all tax liens are sold. The Collector reserves the right to take appropriate action under TP 14-817(a)(3) including but not limited to the right to refuse to accept bids that are not made in good faith and the right to bar a purchaser or holder of a certificate from participating in future tax sales held by the County. At the County's option, properties not sold will be offered for sale, at a later date, to the highest bidder until sold. Once the Tax Sale is complete, these unsold properties are no longer available for sale.

## **Notice of Sale**

Real property taxes, service charges and other fees or charges are due and payable without interest and penalties on July 1st of each taxable year. For the purpose of this document, the term "taxes" shall include, but is not limited to all the preceding types of charges (Section 14-801(c)). The taxes are overdue and in arrears on the succeeding October 1st for annual billing accounts; and October 1st and January 1st for semi-annual billing accounts, respectively. Interest and penalty accrues from October 1st and/or January 1st at the rate of 1 percent per month or any fraction of a month until paid in full (Section 14-603 and Section 14-703). Supplemental levies are overdue and in arrears 30 days from billing issue date.

At least 30 days prior to the date the property tax lien is first advertised for tax sale, the Collector shall mail a notice of sale to the person who last appears as owner on the Collector's tax rolls, at the last address shown on the tax rolls (Section 14-812). This notice is mailed on or about March 1 of each year. The Collector shall cause to be published, once a week for four successive weeks, a listing of the delinquent properties in one or more newspapers. This advertisement serves as notice to the property owners and any lien holders that the property tax lien is to be sold at tax sale.

The advertisement contains the date, time, and place of the sale, as well as a description of the property, name of person who last appears on the Collector's tax roll as the owner, the assessed and full cash value of the property as determined by the last assessment, and the tax sale amount. The amount advertised includes, or may include any one or combination of the following: delinquent taxes (State, County or Municipal), interest, penalty, and other charges. The amount advertised also includes an advertising fee and, if required, the cost of surveying and attorney's fees, plus an administration fee to cover the County's cost of holding the tax sale (Section 14-813).

Properties will also be advertised on the County's dedicated website

## **Tax Sale Bidder Registration**

Prospective bidders must pre-register for the sale at the Washington County Treasurer's Office. Washington County MD requires all bidders to legibly complete a Tax Sale Bidder Registration Application as well as IRS Form W-9. You may FAX your registration application and W-9 to 240-313-2111 or e-mail the forms to [treasurer3@washco-md.net](mailto:treasurer3@washco-md.net). You may wish to contact the Treasurer's office to confirm proper receipt of the Tax Sale Bidder Registration Application and IRS Form W-9. Registration closes at 4:00pm on the Friday prior to tax sale. No bidder registrations will be accepted after the close of registration. The Tax Sale Bidder Registration Application and IRS Form W-9 are available on our website in May of each year. You can download it as a Word document or an Acrobat pdf file.

## **The Certificate of Sale**

The Collector will deliver to the purchaser a certificate of sale. The certificate sets forth the fact that the property tax lien described therein was sold by the Collector to the purchaser, the date of sale, the amount paid, and the interest rate for redemption. The certificate is null and void if an action to foreclose the right of redemption is not instituted by the holder within two years from the date of certificate. Thereafter, all rights of the purchaser of the certificate cease (Section 14-820). Certificates of sale will be prepared and delivered within several business days of the tax sale. A receipted listing of all property tax liens purchased and the amounts paid will be issued to the purchaser on the day of sale.

Any certificate of sale, properly executed, can be assigned. The assignment vests in the assignee all the rights, title and interest of the original purchaser (Section 14-821). The certificate of sale may be recorded among the land records of the County. However, failure to record does not in any manner affect the right to institute foreclosure proceedings within the time limits prescribed (Section 14-822). The certificate of sale is presumptive evidence in all courts, in all proceedings by and against the purchaser, of the truth of the statements therein (Section 14-823).

## **Redemption by Owners**

Property owners may redeem their property any time prior to the issuance of a court decree foreclosing the right of redemption. All redemption fees must be paid by certified funds. To redeem property, owners must pay the amount paid by the bidder at tax sale, additional interest of 6% per annum (calculated from the day of the sale to the day of redemption) and any new taxes that have accrued. If the property is redeemed after four (4) months from the date of Tax Sale, the bidder may also charge legal fees and expenses to the property owner. In this case, the property owner must obtain a Letter of Release prior to redemption.

Purchasers can begin foreclosure proceedings six (6) months and one (1) day from the date of sale, and have up to two years from the date of the certificate of sale to start these proceedings. 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:

1. Determine the redemption amount and the need to obtain a release for actual and reasonable expenses from the certificate of sale holder by calling the County Treasurer's Office at 240-313-2110.
2. During the first four months after the date of the tax sale, properties may be redeemed without payment of the expenses of the certificate of sale holder, including legal fees;
3. 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
4. Present the release to the Collector and pay all redemption amounts 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 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 actual and reasonable attorney's fees 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 6 percent per annum. Redemption payment must be made by certified check, cashier's check, money order, or cash to Washington County Treasurer.

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

1. Notify the holder of the certificate of sale that the property was redeemed and that the certificate must be surrendered to the Collector prior to payment of any amount; and
2. Upon receipt of the certificate of sale, the County will remit all money received for redemption and the high bid premium to the holder of the certificate (Section 14-828(c)).
3. Redemption payments will only be made for those properties that the certificate of sale has been returned to the County.
4. 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 holder of the certificate to foreclose the right of redemption was filed and there is a dispute regarding redemption, an order of the Court is required before the County will release payment (Section 14-829).

Suggested format for this release are attached. 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 vests 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 vests 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, 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 to the County Treasurer's Office by calling 240-313-2110, sending an e-mail to: [treasurer3@washco-md.net](mailto:treasurer3@washco-md.net), or mailing your correspondence to the Washington County Treasurer's Office, 35 West Washington Street, Suite 102, Hagerstown, MD 21740.

This information is provided as a courtesy to any interested party. Washington County does not warrant the accuracy of the information contained herein. You should refer to State and Local Statutes for more detailed and precise information. Washington County may not provide you with any legal advice.