



TERMS OF THE 2025 TAX SALE

Participation in the Howard County Tax Sale may result in the immediate purchase of a “tax lien,” but not an actual property; therefore, discretion is encouraged. There may be tax liens pertaining to property sold for which taxes were paid prior to the sale date or other circumstances which render the sale invalid or void. Please be advised that pursuant to the Soldiers’ and Sailor Civil Relief Act (the “Act”) there are limitations on tax sales for owners who are on active duty in the military and meet the criteria under the Act. This could affect the validity of the certificate you purchase, may extend the time a Court provides for redemption, and may limit any interest or penalties to a maximum of 6% if it is determined that a property is covered under the Act. In the event the County determines that a tax sale is invalid and void, the County will, as the exclusive remedy of the purchaser, reimburse the purchaser the amounts paid at the sale. The tax sale bidder assumes all risk of any irregularity of the sale and has no other remedy against the County. There is no warranty, expressed or implied, that a property has a marketable title or that it contains the exact area of land which it is said to contain; therefore, the bidder assumes all risks in that regard. All tax sale bidders are subject to the following terms and conditions of sale:

I. REGISTRATION

All bidders **must** register online at taxsale.howardcountymd.gov. No mail-in or email registrations will be accepted. Registration will open on Monday, July 14th and will close on Monday, July 28, 2025. All steps in the bidder registration process must be completed by 5:00 p.m. EDT on July 28, 2025. Bidders must enter a valid bank account from which the ACH registration deposit will be debited. **No registrations will be accepted on the day of sale.** The County at its discretion has the right to disqualify any bidder.

A. **BID NUMBER** Bidders must register with the Collector of taxes for Howard County (also referred to as the Director of Finance) at taxsale.howardcountymd.gov and provide the following information: name, address, telephone number, e-mail address and digital signature. Bidders will be required to complete IRS form W-9, *Request for Taxpayer Identification Number and Certification*, which must specify the tax class by which potential interest payments are reported. The Collector will provide tax sale purchasers with IRS form 1099 to report interest paid as required by law. Only one (1) bid number will be assigned per legal entity or individual. Bidders must enter a valid bank account from which purchases will be debited. The same bank account used to pay the registration deposit will automatically be debited for the balance of the total amount due for certificates purchased.

B. **BUSINESS ENTITIES** All persons bidding on behalf of a business entity must register in the full legal name of the business entity. All registered business entities must be in good standing as a domestic entity or qualified to conduct business as a foreign entity in the State of Maryland and must provide the Maryland State Department of Assessments and Taxation Tax ID Number assigned to the entity.

II. FINANCIAL REQUIREMENTS

A. DEPOSIT A deposit of one thousand dollars (\$1,000.00) must be paid at the time of registration via ACH debit. The deposit will be applied to the amount due for tax certificates purchased or will be refunded via ACH if the bidder has not purchased any tax certificates. Payment in United States Dollars is required. If the bidder's bank returns the ACH payment to the County as uncollectible, the bidder will not be able to purchase tax certificates in the tax sale.

B. BUDGET A bidder is required to submit a budget to cover the costs of the bidder's anticipated purchases. The budget represents the maximum amount allowable for the purchase of certificates during the auction. Taxes, as well as high bid premiums (if any), will be applied against bidder's submitted budget. A bidder will not be awarded a certificate for a property if bidder's successful bid plus the total amount due on certificates exceeds bidder's budget. A bidder may change bidder's submitted budget at any time prior to the close of business at 5:00 p.m. on August 5, 2025, by entering a new budget amount in the "Budget" field on the Bidding page of the tax sale website. Funds may be verified for both the initial and any increased budgets submitted.

C. PAYMENT The successful bidder (the "Purchaser") is required to pay to the Collector the amount of delinquent taxes together with any additional interest, penalties, charges, and high bid premium, if any. A detailed receipt for all tax certificates purchased will be provided to the Purchaser.

D. HIGH-BID PREMIUM In addition, a high-bid premium of 20% of the amount by which the highest bid exceeds 40% of the assessed value (labeled as HBP in the newspaper advertisement) will be charged for all properties sold at the tax sale [Tax-Property Article, Annotated Code of Maryland § 14-817].

1. The Collector shall refund the high-bid premium without interest to:
 - a. The holder of the tax sale certificate or assignee upon redemption of the property for which the high-bid premium was paid; or
 - b. 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.
2. The high-bid premium is not refundable after the deadline to file an action to foreclose the right of redemption if there has been no redemption (§14-833) and if an action to foreclose the right of redemption has not been filed within 2 years of the date of the tax sale certificate. Further, the high bid premium will not be refunded in the event an action to foreclose the right of redemption is dismissed and there has been no redemption.

III. CONDUCT OF SALE

A. **BIDDING** The initial bid price will be no less than the total amount due for taxes and other charges, together with interest, penalties and expenses of sale. Bids will be awarded on August 6, 2025 to the highest bidder. This is a sealed bid auction in which a bidder enters his/her highest acceptable bid for a tax certificate. **A bidder may only submit one (1) bid file and it cannot be recalled after submission.** Bids may be a dollar value, or they may be in the form of a bid factor (a percentage of the assessed value). For example, a multiple bid factor of .42 would indicate that the bidder is bidding 42% of the assessed value of the property. While property information will be available for both viewing and download at taxsale.howardcountymd.gov, a Final List of properties in an Excel format will be emailed to all approved registered bidders by 9:00 p.m. August 5, 2025. Bidders must enter their bids on the Final List spreadsheet and upload it to the tax sale website, taxsale@howardcountymd.gov by 12:00 p.m. on August 5, 2025. Bids received after 12:00 p.m. on August 6, 2025 will not be considered. In the event identical bids are entered for the same property or properties, the winning bid will be awarded to the bidder with the first submission of the identical bid. If there is no bidder for a particular property on the auction date, the property will be sold to Howard County, Maryland and may later be offered in an assignment sale until sold.

B. **TERMS; BREACH** All bids must be made in good faith. Each winning bid constitutes an agreement by the winning bidder to purchase the property according to these terms and applicable law. Any breach of said agreement by any bidder shall result in retraction of the bidder's bids, forfeiture of the deposit, and/or prohibition from participation in future sales.

C. **SETTLEMENT** All bidders will be informed via email by 3:00 p.m. on August 6, 2025 of tax certificates won and payment amount required and are required to ensure funds for all successful bids are available for payment at the close of the tax sale. Purchasers must pay for all certificates awarded, including the high-bid premium, by ACH debit no later than 5:00 p.m. on the day of the tax sale. The bank account used to successfully pay the registration deposit will be automatically debited for the total amount due for all certificates awarded. Purchasers must ensure the funds are available by 5:00 p.m. on the date of the sale. The County will confirm with its bank the receipt of the payment. If the purchaser's bank returns the ACH payment to the County as uncollectible, then the purchaser loses bids for all tax certificates and the tax certificates will be assigned to the next eligible bidder for purchase.

IV. CERTIFICATE OF SALE

A. **NOTIFICATION TO PROPERTY OWNERS** The Collector will inform the property owner of the bid price; therefore, the property owner will be able to make an informed financial decision concerning redemption.

B. DELIVERY OF CERTIFICATES OF SALE

1. ESCROW Under Section 14-820 of the Tax-Property Article, the Collector is required to deliver to the Purchaser a certificate of sale dated as of the day of the sale. As an alternative, the Collector shall hold the certificate of sale in escrow for a period of four (4) months from the date of the certificate of sale to expedite the redemption of proceeds to the Purchaser. At the expiration of the 4-month period, the Collector will mail the unredeemed certificates of sale to the Purchaser at the address provided by the Purchaser herein, or at such other address as is provided in writing to the Collector. At any time prior to the expiration of the said 4-month period, the Purchaser may request, in writing, delivery of any unredeemed tax sale certificates held in escrow for the Purchaser. Said request shall contain the name of the Purchaser, the properties for which tax sale certificates were issued, and the address of the Purchaser, if different from the address provided at tax sale registration.
2. MAILING UPON ISSUANCE If the Purchaser elects not to have a tax sale certificate held in escrow as provided in section IV.B.1 above, the Collector will mail the tax sale certificate to the Purchaser upon issuance of the certificate.

C. ASSIGNABILITY A certificate of sale executed and delivered by the Collector to the Purchaser is assignable and such assignment of the certificate of sale vests in the assignee all the right, title and interest of the original purchaser (§14-821). The Collector shall be notified of any assignment of a certificate of sale.

D. EXPIRATION Certificates of sale will expire two (2) years from the date of the certificate unless a proceeding to foreclose the right of redemption is filed prior to that time. The high-bid premium is not refundable after the expiration of the certificate if there has been no redemption and if an action to foreclose the right of redemption has not been filed within that time.

E. VOIDED SALE Whenever a tax sale on a property is declared invalid or void for any reason, the Purchaser will be notified and advised not to pursue any further foreclosure action or to incur additional expenses. The exclusive remedy available to the Purchaser shall be reimbursement and will be limited to the amount paid at the sale.

F. LIMITATIONS ON SALE Please be advised that pursuant to the Solders' and Sailor Civil Relief Act (the "Act") there are limitations on tax sales for owners who are on active duty in the military and meet the criteria under the Act. This could affect the validity of the certificate you purchase, may extend the time a Court provides for redemption, and may limit any interest or penalties to a maximum of 6% if it is determined that a property is covered under the Act.

G. REDEMPTION The procedure for redemption of properties sold at tax sale is governed by state law set forth in Title 14, Subtitle 8 of the Tax-Property Article of the Maryland

Annotated Code. The County does not provide legal advice to either the tax sale purchaser or the property owner on their respective rights under the law. Instead, you should either consult the state law or obtain independent legal advice on your rights and responsibilities under the law.

No information provided herein is intended to constitute legal advice and should not be relied upon in determining your rights and liabilities under governing law.

H. REDEMPTION REFUNDS Upon actual redemption and presentation of a Certificate of Sale, the County will pay the holder of the Certificate of Sale the redemption amount plus any high bid premium (currently calculated at 18% on the taxes only, and prorated from the date of sale to the date of redemption) by physical check to the address provided on the IRS Form W-9.

Questions regarding use of the website and the online bidding process may be directed to taxsale@howardcountymd.gov Questions regarding the tax sale policies may be directed to the Tax Sale Office of Howard County, at (410) 313-2299.