

DORCHESTER COUNTY, MARYLAND
2019 TAX SALE
TERMS & REGISTRATION FORM
JUNE 18, 2019

This is a public auction sale. Prospective bidders should investigate the properties. There are no warranties, expressed or implied, (a) that a property has a marketable title, (b) the property contains the area of land which it is said to contain, or (c) the property is located correctly on the tax maps of Dorchester County, Maryland. The purchaser assumes all risks in these regards. The sale of the property is subject to any discrepancies or conflicts in boundary lines. The property is being sold as is, without any warranties. The term "taxes" used therein refers to real estate taxes, property liens, water/sewer usage charges, interest, municipal and other service charges, penalties, and advertising charges. Dorchester County shall not be responsible or assume any liability resulting from the sale of properties for municipal taxes, charges, etc. as said sales are solely for the convenience of the municipality.

ALL TAX SALE BIDDERS ARE SUBJECT TO THE FOLLOWING TERMS OF SALE

A. General Terms of Sale

1. Section 14-818 of the Tax Property Article of the Annotated Code of Maryland provides that the payment of the purchase price on tax sales "shall be on the terms required by the collector." Dorchester County (County) requires that all purchasers remit on the day of the tax sale **before 3:00 pm** the full amount of all taxes and other outstanding charges due on the property, whether in arrears or not, together with interest and penalties on the outstanding amounts and expenses incurred. **Failure to pay by 3:00 pm will result in the purchaser being barred from future tax sales.** In addition, Section 14-818 provides that "the residue of the purchase price remains on credit." The difference between the bid amount and the amount paid at the time of sale must be paid upon foreclosure.

2. The bidding process for Tax Sale is by auction. The Tax Sale commences at 10:00 a.m. in the County Council Chambers, Room 110, County Office Building, 501 Court Lane, Cambridge, Maryland 21613.

3. Pre-registration is **REQUIRED**. To allow the Department sufficient time to confirm bidder eligibility, registration will not be allowed on the day of the sale. You may pre-register by completing the attached registration form and returning it, along with a copy of your driver's license and any required documentation, if needed, to the Finance Office at P.O. Box 66, Cambridge, Maryland 21613. **Pre-registration ends Thursday, June 13th, 2019.** Please call to confirm receipt of your documentation. Photo identification will be required on the day of Tax Sale before issuing a bidders card.

4. Who can bid:

- a. Any individual;
- b. A member of a Limited Liability Company (LLC) if the LLC has no manager;
- c. A manager of the LLC;
- d. A general partner of a partnership or limited partnership;
- e. The administrator or executor of an estate;
- f. The trustee of a trust.
- g. If the bidder is a corporation, a principal officer or corporate officer who has legal authority to bind the corporation; any person who is designated by the board of directors or other governing body of the corporation; any officer or employee of the corporation upon written request signed by a principal officer of the corporation and attested by the secretary or other officer of the corporation.

5. Bidding must be done in person. All entity bidders (corporations, partnerships, limited liability companies, limited liability partnerships, trusts and estates) must establish their eligibility for bidding by presenting

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satisfactory evidence of the legal existence of the bidding entity and by identifying a single agent to bid for that bidding entity. All entity bidders must provide the following information:

- a. Legal name of entity;
- b. Resident agent(s) name, address, and telephone number;
- c. Street address for principal place of business;
- d. Bidder's name, address, telephone number, and photo identification;
- e. State identification number, if applicable;
- f. Evidence that entity is in good standing in the State of Maryland; and
- g. Agents of entity bidders must identify themselves by full name and address, and provide evidence of their authorization to bind the principal.

B. The Bidding Process

1. All bidders must register with the Finance Office and have a numbered bidder card assigned to them. Only one bidder's number will be assigned per legal entity.
2. Bidders are required to **fully extend** their assigned numbered card. To avoid any disputes, the card must be visible to the auctioneer.
3. The County, auctioneer, or designee may at any time debar, suspend, or eject any bidder from further participation in any tax sale for disruption of the sale or violation of any terms of the sale. In addition to the individual bidders that are barred, the entity they represent will also be barred from further participation in any tax sale held by Dorchester County.
4. The auctioneer may refuse any bid, which, in the auctioneer's sole subjective discretion, will manifestly frustrate the object and purpose of the tax sale.
5. Any agreement, consent, or conspiracy to suppress, predetermine, rig or fix the bidding at the tax sale is contrary to public policy and the County retains the authority to void any such bids received.
6. Bidding will begin at an amount set by the auctioneer. Bid prices will be no less than the amount due for taxes and other charges. The auctioneer will begin with the first district and proceed in lot number order, stating the amount due. The auctioneer will set any and all incremental bidding levels. When the auctioneer says "sold," the sale of the property is complete. The auctioneer's decision is final.
7. A high-bid premium must be paid by the high bidder if the bid exceeds 40% the property's full cash value. The premium equals 20% of the amount by which the bid exceeds 40% of the property's full cash value. The premium is returned, without any interest, upon redemption or foreclosure. The high-bid premium is not refundable after the time required under Section 14-833 of the Tax Property Article for 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.
8. Successful bids will be conditionally accepted, pending payment of the amounts due. Settlements will begin at the conclusion of the tax sale, but must occur no later than 3:00 P.M. the day of the tax sale. Failure to pay by 3:00 pm will result in the purchaser being barred from future tax sales. Acceptable forms of payment are cash and checks. Entity bidders must pay with entity checks. Individual bidders who have not participated in County Tax Sale will be required to submit a letter of reference from their bank or lender stating they are a customer in good standing if paying by check.

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9. All cellular telephones, pagers or other communication devices must be turned off while in the County Council Chambers. Any use of these devices during the tax sale is prohibited.

C. Notice Regarding Certificate of Sale, Redemption, and Foreclosure

1. Certificates of Sale

Tax Sale Certificates will be mailed to purchasers within 90 days from the date of sale unless property has been redeemed within that time.

Certificates of sale are assignable upon written notification to the Department of Finance and the assignment vests in the assignee, all the right, title and interest of the original purchaser (Section 14-821).

Certificates will expire two (2) years from the date of sale unless a proceeding to foreclose is filed prior to that time. Any right, title and interest of the purchaser in the property sold shall cease at the point of expiration, and all money received by the County as a result of the sale shall be deemed forfeited.

The certificate of sale is presumptive evidence in all courts, in all proceedings by and against the purchaser, of the truth of the statement therein, and of the title of the purchaser to the property (Section 14-823).

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).

2. Redemption

The Finance Office will be informing property owners of your bid price and such other information as may be necessary to enable those parties to make an informed financial decision concerning redemption.

The owner or other person having an estate or interest in the property sold has the right to redeem the property at any time until the right of redemption is finally foreclosed by an order of the Circuit Court (Section 14-827).

Payment must be made by certified check, cashier's check, mortgage company check, money order, or cash.

The rate of interest is set under Section 14-820 and is computed from the date of the tax sale to the date of the redemption payment (Section 14-828). The interest rate, as stated on the certificate of sale, is ten percent (10%) simple interest.

The redeeming party shall be required to pay to Dorchester County: 1) the total sum paid at the tax sale by the successful bidder; 2) any taxes, interest or penalties accruing on the property after the date of sale; and 3) attorney's fees and expenses incurred by certificate holder, if applicable.

Prior to Bill of Complaint

During the first four months after the date of the tax sale, auctioned properties may be redeemed without payment of attorney's fees or expenses. **After the expiration of the four-month period, if the holder of the certificate has notified the Department of Finance (in writing) that attorney's fees and expenses have been incurred, a release is required, and payment of the said costs will be required in addition to the redemption amount.**

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After Bill of Complaint

On redemption, the certificate holder may be reimbursed for attorney's fees and expenses incurred in any action or in preparation for any action to foreclose the right of redemption as specifically provided in Section 14-843 of the Tax-Property Article. Upon receipt of the redemption amount and attorney's release/dismissal (if required), the Collector will reimburse the holder of the certificate (Section 14-828). If an action by the purchaser to foreclose the right of redemption has been filed and there is a dispute regarding redemption, an order of the Circuit Court is required (Section 14-829).

3. Foreclosure

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 such action is not taken within a two-year period subsequent to sale, the certificate is null and void (Section 14-833). The plaintiff must forward a copy of the complaint to the Department of Finance.

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, and (d) the County (Section 14-836).

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 (Section 14-818). The definition of "taxes" is any tax, interest, penalty, service charge, or charge of any kind due to the State or any of its political subdivisions, or to any other taxing agency, that by law is a lien against the real property on which it is imposed or assessed (Section 14-801). 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).

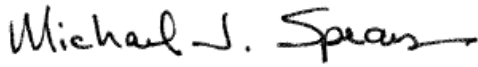
D. Notice Regarding Invalid Certificates and Voided Sales

1. Bidders are on notice that possibility exists that a certificate purchased at the Tax Sale may, upon subsequent inquiry, be determined to be invalid or void. The County reserves the right to invalidate or void a sale at any time. In the event the County determines that a tax sale is invalid or void the County will, as the exclusive remedy available to the purchaser, reimburse the purchaser the tax sale purchase price paid, without interest, and any applicable high bid premium paid, without interest. 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 assessment by the assessor, value changes by the assessor, erroneous service charges, or service fees,. 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 purchaser any interest, costs, expenses or attorney fees associated with any invalid or voided sale.

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E. Warranty

1. By signing this form, each bidder represents and warrants that they are authorized to bid and ready, willing and financially able to consummate each sale at the price(s) bid. Bidders acknowledge that this representation is material to the County's willingness to issue them a bidder card and to accept bids during the sale. **Failure to abide by any of the above terms can result, without notice, in barring future participation of the bidder and/or bidding entity.**



Michael J. Spears
Director of Finance & Collector of Taxes
Dorchester County, Maryland

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Assigned Bidder #

PRE-REGISTRATION IS REQUIRED AND ENDS THURSDAY, JUNE 13, 2019

By signing below, each bidder is certifying that he or she has read and understood the terms of the tax sale and accepts the foregoing with the intention to be legally bound, and hereby declares and affirms, under the penalties of perjury, that the information and representations provided to the county are true and correct.

Bidder's Signature

Bidder's Name (Print)

If Bidder is an Individual (please print legibly)

Legal Name of Individual as it will appear on Tax Sale Certificate

Individual's Social Security Number

Telephone Number

Mailing address of Individual

Email

If Bidder is an Entity (please print legibly)

Legal Name of Entity as it will appear on Tax Sale Certificate

Entity's Federal Identification Number

Mailing Address of Entity

Email

Contact Person

Telephone Number

Resident Agent's Name

Telephone Number

Resident Agent's Address

Email

Bidding Agent's Name

Telephone Number

Bidding Agent's Address

Email

This form must be filled out in its entirety and returned to the Finance Office along with a copy of your driver's license, letter of credit or good standing from individual's bank and any other required documentation as set forth in the terms. Failure to complete the form in its entirety or to supply the required documentation with the form will result in the denial of your registration.