

*Vertex TL LLC v. 2921-2923 McElderry Street, LLC, et al.*, No. 927, Sept. Term, 2025, Opinion by Berger, J.

### **TAXATION – PROPERTY TAXES – REDEMPTION FROM TAX SALE – ACTIONS TO FORECLOSE RIGHT OF REDEMPTION – CHALLENGES TO REDEMPTION REQUIREMENTS**

Holder of tax sale certificate may properly challenge whether their right to foreclose rights of redemption and obtain a deed to the subject property has been legally extinguished through the statutory process of redemption.

### **TAXATION – PROPERTY TAXES – REDEMPTION FROM TAX SALE – STATUTORY PROVISIONS - DELINQUENT TAXES ACCRUING AFTER DATE OF TAX SALE**

To redeem property sold in a tax sale, the person or entity redeeming must pay, among other things, “any delinquent taxes, penalties, and interest accruing since the date of the tax sale.” Md. Code (2001, 2016 Repl. Vol.), Tax-Property Article (“TP”), § 14-828(a)(1)(iii). “Delinquent taxes” for purposes of TP § 14-828(a)(1)(iii) means taxes that are deemed to be in arrears.

### **TAXATION - PROPERTY TAXES – REDEMPTION FROM TAX SALE – STATUTORY PROVISIONS - DELINQUENT PROPERTY TAXES**

To redeem property sold in a tax sale, the owner of the property was not required to pay property taxes that became due after the date of the tax sale as the taxes were not in arrears at the time of redemption.

### **TAXATION – PROPERTY TAXES - REDEMPTION FROM TAX SALE – STATUTORY PROVISIONS - DELINQUENT WATER BILLS**

Outstanding charges for water service that accrue after the date of the tax sale are “delinquent taxes” within the meaning of TP § 14-828(a)(1)(iii) when the charges are in arrears and have become a lien on the subject property, pursuant to Md. Code (1996, 2014 Repl. Vol.), Environment Article, § 9-724(c).

Circuit Court for Baltimore City  
Case No. C-24-CV-24-001403

REPORTED  
IN THE APPELLATE COURT  
OF MARYLAND

No. 927

September Term, 2025

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VERTEX TL LLC

v.

2921-2923 McELDERRY STREET LLC, et al.

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Berger,  
Arthur,  
Eyler, James R.  
(Senior Judge, Specially Assigned),

JJ.

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Opinion by Berger, J.

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Gregory Hilton, Clerk

This case is before us on appeal from an order of the Circuit Court for Baltimore City vacating its prior order which foreclosed rights of redemption on real property sold at a tax sale. Appellant, Vertex TL LLC (“Vertex”), the holder of the tax sale certificate, presents two issues for our consideration, which we have reordered and rephrased:

- I. Whether the circuit court erred when it held that certain delinquent taxes that were past due did not need to be paid in order to redeem pursuant to [Md. Code, Tax-Property Article] § 14-828(a)(1)(iii).
- II. Whether the circuit court erred when it held that a water bill that is a lien pursuant to Md. Code, Tax-Property [Article] § 14-801 does not need to be paid in order to effect redemption pursuant to [TP] § 14-828(a)(1).

We shall conclude that, subject to an exception for owner-occupied residential property, redemption of property sold in a tax sale requires payment of property taxes and water bills that (1) accrued after the date of the tax sale, (2) are liens on the subject property, and (3) are deemed “in arrears” at the time of redemption. For the reasons that follow, we shall vacate the order vacating the judgment of foreclosure and remand for further proceedings.

### **BACKGROUND**

The subject property, identified as 2923 McElderry Street, Baltimore (“the Property”) was sold at a tax sale on October 18, 2023. The tax sale certificate was subsequently assigned to Vertex.

On July 5, 2024, Vertex filed a Complaint to foreclose the right of redemption in the Property. The named defendants included the record title owner of the Property, 2921-23 McElderry Street, LLC (“McElderry”), the appellee in this matter. According to the

Complaint, the amount necessary to redeem the Property was \$1,766.31 plus interest from the date of the sale, as well as \$1,583.44 in costs, fees and expenses.

On July 22, 2024, Tiffany McDonald, the sole member of McElderry, filed a “Petition to Redeem” in which she stated that “[t]he amount necessary to redeem the [P]roperty . . . will be satisfied within [90] days if the court sees fit.” The court struck the pleading on grounds that Ms. McDonald was not a named defendant or a licensed attorney authorized to enter an appearance on behalf of a limited liability corporation.

On July 30, 2024, the court issued an order which provided that, if the Property was not redeemed by September 28, 2024, a judgment of foreclosure would be entered. On October 12, 2024, the circuit court issued an order which foreclosed the right of redemption in the Property, vested Vertex with absolute and indefeasible fee title, and ordered the Director of Finance for Baltimore City to deliver to Vertex a deed to the Property.

Five days after entry of the judgment of foreclosure, McElderry, through counsel, filed a motion to set aside the judgment of foreclosure on grounds that the Property had been redeemed prior to the entry of the judgment of foreclosure.<sup>1</sup> In support of the motion, McElderry attached an affidavit of Ms. McDonald stating that, on September 12, 2024, she delivered a certified check in the amount of \$2,069.44 to the Baltimore City tax sale office,

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<sup>1</sup> Vertex claims that McElderry failed to allege or prove fraud, mistake or irregularity in the judgment, and that the court therefore had no power to revise the judgment pursuant to Maryland Rule 2-535(b). As McElderry filed its motion within 30 days after entry of the judgment of foreclosure, however, the court retained general revisory power over the judgment pursuant to Maryland Rule 2-535(a). *See Mayor and City Council of Baltimore v. Thornton Mellon, LLC*, 249 Md. App. 231, 240 (2021).

which was the amount she was told was required to redeem the Property. At that time, Ms. McDonald was advised to pay an additional amount for 2023-2024 taxes, which she did. Attached as exhibits to the motion were receipts from the City of Baltimore, dated September 12, 2024, which indicated total payments of \$2,456.31.<sup>2</sup>

Vertex opposed the motion to set aside the judgment on grounds that McElderry failed to pay all taxes due and therefore failed to satisfy the condition precedent to challenging the judgment of foreclosure.<sup>3</sup> Vertex attached to its opposition a lien certificate, issued by the Baltimore City Bureau of Revenue Collection on October 25, 2024, evidencing two liens on the Property: \$1,997.84 for 2024-2025 real property taxes which had become due on July 1, 2024; and \$4,126.92 for metered water service.

In response to Vertex's opposition to the motion to vacate, McElderry argued that it had paid in full the redemption amount issued by the Tax Sale Department. Attached as an exhibit to the response was a sworn affidavit of counsel for McElderry stating that he was advised by the Supervisor of the Baltimore City Tax Sale Department that water bills are not required to be paid in redemption.

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<sup>2</sup> McElderry also submitted documentation evidencing a payment of \$3,666.92 to counsel for Vertex. Vertex agrees that McElderry paid outstanding attorney's fees and costs.

<sup>3</sup> Vertex did not object to the redemption amount at the time McElderry made the payments presumably because the circuit court sent notice of the redemption payments to the prior holder of the tax sale certificate.

On December 6, 2024, the circuit court issued an order vacating the judgment of foreclosure on the grounds that the Property had been fully redeemed prior to entry of the judgment. Vertex filed a motion for reconsideration.

Before ruling on Vertex’s motion, the court ordered the Mayor and City Council of Baltimore City (“City”) to file an affidavit stating whether the Property was fully redeemed on September 12, 2024. In response, the City submitted a sworn affidavit of Edward Scrivener, the Delinquent Accounts Manager for the Baltimore City Bureau of Revenue Collection, in which he stated: “upon inspection of the tax sale file for [the Property], all documentation reflects that the [P]roperty was redeemed on September 17 [sic], 2024[.]”<sup>4</sup>

On June 12, 2025, the circuit court denied Vertex’s motion to reconsider based on a finding that the Property had been redeemed prior to the entry, on October 12, 2024, of the judgment of foreclosure. In rejecting Vertex’s argument that the amount paid by McElderry was insufficient, the court reasoned:

as residential property in Baltimore City cannot be sold at tax sale for outstanding water or sewer service charges, . . . the water bill would not be part of the redemption amount. See [Md. Code, Tax Property Article (TP)] § 14-849.1. Additionally, if the 2024/2025 real property taxes were not delinquent at the time of redemption, then they would not be included in the redemption amount. See [TP] § 14-828(a)(1)(iii)[.]

Vertex filed a notice of appeal on June 30, 2025.

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<sup>4</sup> The receipts submitted by McElderry in support of its motion to set aside the judgment of foreclosure are dated September 12, 2024.

## STANDARD OF REVIEW

Maryland Rule 8-131(c) provides:

When an action has been tried without a jury, the appellate court will review the case on both the law and the evidence. It will not set aside the judgment of the trial court on the evidence unless clearly erroneous, and will give due regard to the opportunity of the trial court to judge the credibility of the witness.

“To the extent that a judgment involves a question of law, such as the proper interpretation or application of a statute, this Court makes its own determination of whether the trial court’s conclusions were legally correct.” *Thornton Mellon, LLC v. Adrienne Dennis Exempt Tr.*, 250 Md. App. 302, 319 (2021) (citation omitted), *aff’d*, 478 Md. 280 (2022).

“The circuit court’s decision to reopen a judgment foreclosing the right of redemption . . . is reviewed for legal error.” *Cicada Investments, LLC v. Harbour Portfolio VII LP*, 261 Md. App. 148, 157 (citing *Davis v. Att’y Gen.*, 187 Md. App. 110, 124 (2009)), *cert. denied*, 487 Md. 271 (2024). “When evaluating whether a circuit court’s decision was legally correct, ‘we give no deference to the trial court findings and review the decision under a de novo standard of review.’” *Id.* (quoting *Lamson v. Montgomery Cnty.*, 460 Md. 349, 360 (2018)). “[W]e will not overturn the ruling unless it appears from the record that the trial court erred as a matter of law or abused its discretion in [ruling on] the motion.” *Id.* at 157-58 (quoting *Voltolina v. Prop. Homes, LLC*, 198 Md. App. 590, 600 (2011)).

## DISCUSSION

### I. McElderry's claim that Vertex lacks standing is without merit.

Before turning to the merits of the appeal, we address McElderry's claim that Vertex lacks standing to challenge the court's determination that the Property was fully redeemed. According to McElderry, Vertex "does not have standing to raise issues regarding the amount that a city or county must accept to redeem a property from tax sale," because statutory requirements for redemption of property sold in a tax sale are intended to benefit the municipality and not the tax sale purchaser. We are not persuaded.

McElderry's reliance on *Scheve v. Shudder, Inc.*, 328 Md. 363 (1992) in support of its standing argument is misplaced. In that case, after being served with the Complaint for foreclosure, the delinquent taxpayers filed a motion for judgment asking the court to foreclose their own rights of redemption and authorize the conveyance of fee simple title to the tax sale purchasers. *Id.* at 367. The tax sale purchasers evidently decided they had overbid the property in question and filed a motion requesting that their complaint for foreclosure be dismissed. *Id.* at 368. In support of their request for dismissal, the tax sale purchasers claimed the court lacked jurisdiction to enter a judgment of foreclosure in their favor because they had failed to comply with a statutory provision requiring a plaintiff in a tax sale proceeding to file an affidavit certifying the time and method of service on the defendant. *Id.* at 368. The trial court rejected that argument and entered a judgment of foreclosure. *Id.* at 368-69. The tax sale purchasers appealed.

On appeal, the Court affirmed, reasoning that the failure to file an affidavit of service did not result in a jurisdictional defect because the defendants had been personally served

and had submitted to the court's jurisdiction by filing motions for judgment. *Id.* at 375. The Court then commented, in language relied on by McElderry, "[i]n addition, the [tax sale purchasers] are not the proper party to raise issues concerning the notice provisions. The Legislature intended property owners, not tax sale purchasers, to be the beneficiaries of the tax sale notice provisions and enacted these provisions to provide greater due process protection for them." *Id.* at 375-76.

Here, however, Vertex is not asserting the rights of others. Rather, it is asserting its own right to retain an interest in the Property unless the Property is redeemed in accordance with the tax sale statute. Consequently, the language in *Scheve* does not support McElderry's standing argument.

"Standing is concerned with whether the parties have the right to bring suit." *Lamb v. Kontgias*, 169 Md. App. 466, 473 (2006) (citation omitted). Vertex, as the holder of the certificate of sale, had a statutory right to file the action to foreclose rights of redemption in the Property. TP § 14-833(a)(1). Moreover, as the holder of the tax sale certificate, Vertex "clearly has an interest in the property purchased," specifically, "a lien which ripens into title through the process of foreclosure[.]" *Prince George's Homes, Inc. v. Cahn*, 283 Md. 76, 85 (1978) (citations omitted). *Accord Mayor and City Council of Baltimore v. Thornton Mellon, LLC*, 478 Md. 396, 418 (2022). Statutory provisions that determine whether a property sold in a tax sale has been redeemed implicate the rights of the holder of a tax sale certificate because they determine whether the holder retains an interest in the subject property. *Aeon Financial, LLC v. District of Columbia*, 84 A.3d 522, 531 (D.C. 2014) (holding that tax sale purchaser has standing to challenge proper

interpretation of redemption requirements of tax-sale statute). We hold that, Vertex, as the holder of the tax sale certificate, having acquired an interest in the subject property and having a statutory right to foreclose, may properly challenge whether that right has been legally extinguished through the statutory process of redemption.

**II. The circuit court did not err in concluding that McElderry was not required to pay 2024-2025 taxes at the time it attempted to redeem the Property because the taxes were not then “delinquent.”**

“[I]n order to challenge the foreclosure of the equity of redemption in a tax sale, the taxes and other relevant charges acknowledged to be due, either prior to the challenge or simultaneously with it, must, as a condition precedent, be paid.” *Canaj, Inc. v. Baker & Div. Phase III, LLC*, 391 Md. 374, 396 (2006). The rationale for the requirement is that “delinquent taxpayer[s] will never redeem” if they “can find a way to overturn a tax sale without paying the delinquent taxes.” *Id.* at 385 n.6. The condition precedent applies regardless of whether the challenge is made prior to entry of the judgment of foreclosure or in a post-judgment motion to set aside the judgment. *Id.* at 387-88. *See also Quillens v. Moore*, 399 Md. 97, 125 (2007)

The requirements for the redemption of property sold in a tax sale are set forth in Md. Code (2001, 2026 Repl. Vol.), Tax Property Article (TP) § 14-828, which provides, in pertinent part:

- (a)(1) If the property is redeemed, the person redeeming shall pay the collector:
  - (i) the total lien amount paid at the tax sale for the property together with interest;

- (ii) any taxes, interest, and penalties paid by any holder of the certificate of sale;
- (iii) except as provided under paragraph (2) of this subsection, any delinquent taxes, interest, and penalties accruing after the date of the sale;
- (iv) in the manner and by the terms required by the collector, any expenses or fees for which the plaintiff or the holder of the certificate of sale is entitled to reimbursement under § 14-843 of this subtitle[.]

TP § 14-828(a)(1) (emphasis added). The exception referred to in subsection (iii) provides: “[f]or owner-occupied residential property, any taxes, interest, and penalties accruing after the date of the tax sale may not be included in the redemption payment required under paragraph (1) of this subsection.” TP § 14-828(a)(2). McElderry does not claim that the exception for owner-occupied residential property is applicable here.

Vertex asserts that the circuit court erred in concluding that 2024-2025 property taxes, which accrued after the date of the tax sale and became due July 1, 2024, were not included in the amount McElderry was required to redeem the Property. According to Vertex, property taxes that are not paid by the due date of July 1 are delinquent. McElderry argues that 2024-2025 property taxes were not “delinquent” for purposes of § 14-828(a)(1)(iii) because they were not “in arrears” until after September 30, 2024, and therefore, the court properly determined that such taxes were not included in the redemption amount. In our view, McElderry is correct.

“‘[T]he method of foreclosure of the right to redeem lies within the legislative discretion, and the method prescribed by the statute must be followed’ unless otherwise directed.” *LaValley v. Rock Point Aero Sport Club, Inc.*, 104 Md. App. 123, 130 (1995)

(quoting *Brashears v. Collison*, 207 Md. 339, 352-53 (1955)). The question of what McElderry was required to pay to avoid foreclosure or to challenge the entry of a judgment of foreclosure is therefore a matter of statutory construction, to which the following rules apply:

When interpreting a statute, our task is to discern and implement the legislature's intent. We first examine the plain meaning of the language used by the General Assembly. The statute is construed as a whole and will be applied as written when the plain language of the statute is unambiguous and consistent with the statute's apparent purpose. We consider both the ordinary meaning of the language of the statute and how that language relates to the overall meaning, setting, and purpose of the act. We avoid a construction of the statute that is unreasonable, illogical, or inconsistent with common sense or that requires us to add or delete language so as to reflect an intent not evidenced in the plain and unambiguous language of the statute. Further, if the statute is part of a general statutory scheme or system, the sections must be read together to ascertain the true intention of the legislature.

*Mayor & City Council of Baltimore v. Thornton Mellon, LLC*, 249 Md. App. 231, 242 (2021) (cleaned up), *aff'd*, 478 Md. 396 (2022). “In addition to the plain language, the modern tendency of [the appellate] Court is to continue the analysis of the statute beyond the plain meaning to examine extrinsic sources of legislative intent in order to check our reading of a statute's plain language through examining the context of a statute, the overall statutory scheme, and archival legislative history of relevant enactments.” *Johnson v. State*, 467 Md. 362, 375 (2020) (cleaned up). Legislative history includes “legislative journals, committee reports, fiscal notes, amendments accepted or rejected, the text and fate of similar measures presented in earlier sessions, testimony and comments offered to the

committees that considered the bill, and debate on the floor of the two Houses of the General Assembly or the Convention.” *Id.* (cleaned up).

In support of its argument that unpaid property taxes are not “delinquent” within the meaning of TP § 14-828(a)(iii) until after September 30 of the tax year, McElderry relies on TP § 10-102(b), which provides: “except as provided in § 10-204.3 of this title,<sup>[5]</sup> property tax that is due on July 1 of the tax year may be paid without interest on or before September 30 of the tax year, and is in arrears after September 30 of the tax year.” McElderry urges that “delinquent,” for purposes of TP § 14-828(a)(1)(iii), is “synonymous” with “in arrears” as defined in TP § 10-102. In response, Vertex maintains that the legislature’s use of “delinquent,” rather than “in arrears” in TP § 14-828(a)(1)(iii) is “significant.” Vertex interprets the statute to mean that “[w]hile a property is not in arrears or accruing interest until after September, the taxes are due and owing on July 1st and ‘delinquent’ thereafter.” Our review of the legislative history of the statute substantiates McElderry’s claim that “delinquent,” for purposes of TP § 14-828(a)(1)(iii), is synonymous with “in arrears.”

The tax sale statute does not define the term “delinquent.” The General Assembly added the term to TP § 14-828(a)(1)(iii) in 2021. Prior to 2021, the statute read as follows: “[i]f the property is redeemed, the person redeeming shall pay the collector . . . except for owner-occupied residential property in Baltimore City, *any taxes*, interest, and penalties

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<sup>5</sup> TP § 10-204.3 governs payment schedules for property taxes that are paid pursuant to a semiannual payment schedule. According to a 2024-2025 tax bill submitted as an exhibit to a pleading filed by Vertex, the Property was on an annual payment schedule, therefore, any exceptions to TP § 10-102(b) would not be applicable.

accruing after the date of the tax sale[.]” Md. Code (1986, 2019 Repl. Vol.), Tax-Property Article § 14-828(a)(3) (emphasis added).

The statute was amended via Senate Bill 325, a departmental bill requested by the State Department of Assessments and Taxation (SDAT). 2021 Md. Laws, ch.108 (S.B. 325 (2021)). The bill was passed with the stated purpose of “altering the amount which a person is required to pay the tax collector to redeem property sold at tax sale by limiting the requirement to pay certain taxes accruing after the sale to include only delinquent taxes[.]”*Id.*

The House Ways and Means Committee issued a floor report on Senate Bill 325 which explained: “the current requirement that a person redeeming a property pay any taxes accrued after the tax sale date can result in a large portion of the taxes added to the redemption amount being nondelinquent taxes.” The floor report addressed redemption under the law as it existed before the amendment:

For a homeowner’s principal residence, half of the fiscal year tax bill is due by September 30, and the second half is due by December 31. Under current law, after June 30, the redemption payoff amount immediately includes the entire next fiscal year’s tax bill even though it is not yet delinquent or not all of it is delinquent during the period from July 1 to December 31.

*Id.* The floor report further explained that “[t]his SDAT departmental bill allows property owners to redeem their properties after a tax sale by paying only the amount of delinquent taxes.” *Id.*

A representative of SDAT submitted the following written testimony in support of Senate Bill 325:

The State Department of Assessments and Taxation (SDAT) supports SB0325, a bill that would reduce the payoff amount for homeowners redeeming their property after tax sale when the redemption occurs between July 1 and December 31.

Currently, to redeem a sold tax lien certificate on a property after a tax sale, a homeowner must pay the [tax] Collector the total tax lien sale price, plus interest, as well as any taxes, penalties, and interest accruing after the date of the tax sale. If the redemption occurs after June 30, the entire tax bill for the next fiscal year will be included. For a principal residence, from July 1 – September 30, half of the next fiscal year's property taxes are due, but not delinquent until October 1. And the second half is not delinquent until after December 31.

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Under this proposed legislation, only delinquent taxes would be added to the redemption payoff amount[.] . . . Of course, if the homeowner fails to redeem by October 1, half of the new 2020/21 tax bill becomes delinquent and added to the redemption payoff amount. Furthermore, after December 31, the second half of the new bill becomes delinquent and added to the redemption payoff amount. By requiring only delinquent taxes to be added to the payoff amount, the homeowner would have more time to redeem their home at a lower payoff amount.

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There is no reasonable basis for including the next fiscal year property taxes (that are non-delinquent) in the required redemption payment. The proposed legislation will allow the counties to retain their ability to collect taxes that become delinquent after a property is redeemed in their next tax sale.

For these reasons, SDAT strongly urges a favorable vote by the Committee for Senate Bill 0325.

Hearing on Senate Bill 325 Before the Ways and Means Comm. of the House, 2021 Leg., 422d Sess. (Md. 2021) (written testimony of Jonathan Glaser).

The Office of the Attorney General submitted a letter of support for Senate Bill 325 which stated:

[T]he goal of SB 325 [is] to provide fair opportunity for people to redeem their homes by eliminating unnecessary tax burdens.

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Senate Bill 325 reasonably lowers the house redemption costs by limiting “taxes, interest, and penalties accrued after the date of the tax sale” to “any *delinquent* taxes, interest and penalties. Considering the short six month redemption period, lowering the burden is reasonable. It is important that the State provide a proper balance between the public interest to prevent injustice or individual hardship, and the public interest to assure effective tax enforcement measures. Senate Bill 325 attempts to strike this balance.

(footnotes omitted).

In our view, the three pieces of legislative history (the Floor Report of the House Ways and Means Committee on Senate Bill 325; the written testimony of the representative of SDAT in support thereof; and the letter of support for Senate Bill 325 from the Office of the Attorney General) inform our analysis regarding the intent of the General Assembly. Indeed, the letter from the Office of the Attorney General stressed the importance of providing the fair opportunity for people to redeem their homes by eliminating tax burdens. Notably, the Floor Report, which evinces the written intent of the Legislature, addressed both redemption before the amendment and after the amendment and expressly provided that Senate Bill 325 allows property owners to redeem their properties after a tax sale by paying only the amount of the “delinquent” taxes.

Based on our review of the legislative history, we conclude that the intent of the General Assembly in adding the word “delinquent” to TP § 14-828(a)(1)(iii) was to limit the redemption requirement to pay taxes accruing after the date of the sale to only those taxes deemed to be “in arrears.”

At the time McElderry attempted to redeem the Property on September 12, 2024, the 2024-2025 property taxes were not yet “in arrears” under TP § 10-102(b), and therefore were not “delinquent” for purposes of TP § 14-828(a)(1)(iii).<sup>6</sup> The court did not err in concluding that McElderry was not required to pay 2024-2025 taxes to redeem the Property.

**III. Subject to an exception for owner-occupied residential property, “delinquent taxes” for purposes under TP § 14-828(a)(1)(iii) includes water service charges that remain unpaid 30 days after the bill for the service is sent and that have become a lien on the property.**

Vertex contends that outstanding water bills are a “delinquent tax” that must be paid to redeem Property sold in a tax sale. McElderry argues that Vertex’s interpretation is contrary to legislative intent, which, according to McElderry, is “to ensure that owners of residential properties in Baltimore City did not enter the tax sale process and risk the loss of their properties because they had past due water charges.”

In determining that McElderry was not required to pay outstanding water service charges to redeem the Property, the court relied, incorrectly, on TP § 14-849.1(a), which

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<sup>6</sup> The parties appear to agree that the relevant date for purposes of the issues on appeal is September 12, 2024, when McElderry paid the redemption amount issued by the City.

prohibits the City from selling residential property to enforce a lien for unpaid charges for water or sewer service.<sup>7</sup> McElderry mistakenly relies on the same provision on appeal. Here, the Property was not sold to enforce a lien for unpaid water charges. Accordingly, TP § 14-849.1(a) is inapplicable.

TP § 14-828(a)(1)(iii) requires that, to redeem property, the redeemer must pay all “any delinquent taxes, interest, and penalties accruing after the date of the [tax] sale[.]” A “tax” is defined as “any tax, 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.” TP § 14-801(d)(1). “Environmental citations and

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<sup>7</sup> TP § 14-849.1 provides:

- (a) In Baltimore City, the Mayor and City Council may not sell a property to enforce a lien for unpaid charges for water and sewer service unless:
  - (1) the lien is for at least \$350;
  - (2) the property is not:
    - (i) a residential property; or
    - (ii) real property that is exempt from taxation under § 7-204(1) or (2) of this article; and
  - (3) the unpaid charges for water and sewer service are at least 3 quarters in arrears.
- (b) Notwithstanding subsection (a) of this section, the Mayor and City Council may enforce a lien on a property other than residential property or real property that is exempt from taxation under § 7-204(1) or (2) of this article for unpaid water and sewer service that is less than \$350 if the property is being sold to enforce another lien.
- (c) This section does not affect any other right or remedy of Baltimore City for the collection of a water and sewer service charge.

water charges that become liens on a property are considered a tax under TP § 14-801(d)(1)[.]” *Al Czervik, LLC v. Mayor & City Council of Baltimore*, 259 Md. App. 91, 94 n.1 (2023). As a result, pursuant to TP § 14-828(a)(1)(iii), “delinquent” bills for water service that accrue after the date of the tax sale and have become a lien on the property must be paid to redeem property sold in a tax sale.

Although the impetus for the 2021 amendment adding the term “delinquent” to TP § 14-828(a)(1)(iii) was to ease the financial burden homeowners faced in having to pay non-delinquent property taxes to redeem property from a tax sale, the General Assembly was presumptively aware that the amendment would apply equally to other governmental charges that fall within the definition of “tax” in TP § 14-801(d)(1). *See Clark v. State*, 473 Md. 607, 627 (2021) (“when it enacts a law, the General Assembly is presumed to be aware of existing related statutes.”) Hence, we conclude that, like property taxes, an outstanding water bill is a “delinquent” tax for purposes of TP § 14-828(a)(1)(iii) when the bill is deemed to be in arrears.

A bill for water service issued by a political subdivision of the State is “in arrears” if it remains unpaid after 30 days from the date the bill is sent. Md. Code (1996, 2014 Repl. Vol.), Environment Article (EN), § 9-724(c)(3)(i). The political subdivision must then notify the owner of the property, in writing, that the bill is in arrears and that water service will be discontinued. *Id.* The amount of the arrearage and applicable penalties become a lien on the property if the bill remains unpaid after 60 days from the date the notice is sent. EN § 9-724(c)(4)(ii). Consequently, although a water bill is deemed in arrears if not paid within 30 days after the bill is sent, it is not a “delinquent tax” for purposes

TP § 14-828(a)(1)(iii) until after the lien attaches, which is 60 days after the notice required in EN § 9-724(c)(3)(i) is sent. *See* TP § 14-801(d)(1) (defining “tax” as a charge due to the State or political subdivision that is “by law a lien” against the subject property).<sup>8</sup>

Here, the evidence in the record demonstrates that, as of October 24, 2024, there was a lien on the Property for outstanding water service charges in the amount of \$4,126.92. It is not clear, however, what portion of that amount, if any, accrued after the date of the tax sale on October 18, 2023, was in arrears, and had become a lien on the Property at the time McElderry attempted to redeem on September 12, 2024. On remand, the court shall conduct further proceedings to make such findings.

### CONCLUSION

The phrase “any delinquent taxes . . . accruing after the date of the tax sale” in TP § 14-828(a)(1)(iii) means taxes, including municipal charges for water service, that are deemed to be in arrears. The court did not err in determining that the 2024-2025 property taxes were not required to be paid when McElderry redeemed the Property on September 12, 2024, because those taxes were not yet in arrears and thus were not “delinquent” within the meaning of TP § 14-828(a)(1)(iii). Inasmuch as it is not clear what portion, if any, of the lien on the Property for metered water service was “delinquent” for

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<sup>8</sup> McElderry claims that “[i]f payment of all outstanding water bills was required to redeem residential properties in Baltimore City from [a] tax sale, then residential property owners in Baltimore City would be exposed to the loss of their properties in tax sale as a result of past due water bills.” The statute is not so broad, however, as it only requires payment of charges for water service that accrue after the date of the tax sale and remain unpaid for at least 90 days after the bill is sent. Moreover, the requirement does not apply to owner-occupied residential property. TP § 14-828(a)(2).

purposes of TP § 14-828(a)(1)(iii), we shall vacate the order granting McElderry's motion to set aside the judgment of foreclosure and remand for further proceedings to establish whether McElderry was required to pay delinquent water charges at the time it attempted to redeem the Property on September 12, 2024.

**ORDER OF THE CIRCUIT COURT FOR  
BALTIMORE CITY VACATING  
JUDGMENT OF FORECLOSURE  
VACATED. CASE REMANDED TO THE  
CIRCUIT COURT FOR FURTHER  
PROCEEDINGS CONSISTENT WITH  
THIS OPINION. PARTIES TO PAY THEIR  
OWN COSTS.**