

PART I. GENERAL PROVISIONS.

13-801. PRIORITY OF UNPAID TAXES.

(A) IN GENERAL.

UNPAID TAX, INTEREST, AND PENALTIES SHALL BE FIRST PAID AND SATISFIED FROM THE PROCEEDS OF A SALE OF ANY PROPERTY OF A PERSON LIABLE FOR THE TAX.

(B) SUBORDINATE TO CERTAIN CLAIMS.

NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, A CLAIM OF A TAX COLLECTOR FOR UNPAID TAX, INTEREST, AND PENALTIES SHALL BE SUBORDINATE:

(1) TO THE CLAIM OF ANY PURCHASER, HOLDER OF A SECURITY INTEREST, OR MECHANICS' LIENOR, AS THOSE TERMS ARE DEFINED IN § 6323(H) OF THE INTERNAL REVENUE CODE, OR TO THE CLAIM OF A JUDGMENT CREDITOR WHOSE LIEN ATTACHED BEFORE THE CLAIM FOR UNPAID TAX, INTEREST, AND PENALTIES; AND

(2) TO ANY CLAIM DESCRIBED IN § 6323(B), (C), OR (D) OF THE INTERNAL REVENUE CODE.

(C) LIABILITY OF JUDICIAL OFFICER.

(1) A JUDICIAL OFFICER WHO MAKES A SALE OF PROPERTY SHALL DETERMINE FROM A TAX COLLECTOR WHETHER THE OWNER OF THE PROPERTY OWES ANY TAX, INTEREST, OR PENALTIES.

(2) THE JUDICIAL OFFICER IS PERSONALLY LIABLE AND THE BOND OF THE OFFICER IS LIABLE FOR ANY TAX, INTEREST, OR PENALTIES NOT PAID TO THE TAX COLLECTOR IN VIOLATION OF THIS SECTION.

(D) PURCHASE OF PROPERTY BY TAX COLLECTOR.

(1) WHENEVER PROPERTY IS TAKEN IN EXECUTION OF AN ACTION TO COLLECT TAXES, THE TAX COLLECTOR MAY BID FOR AND BUY THE PROPERTY FOR THE USE OF THE STATE IF THE TAX COLLECTOR BELIEVES THE PURCHASE IS NECESSARY AND PROPER FOR THE PROTECTION OF THE STATE.

(2) A BID UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED THE CLAIM OF THE STATE FOR UNPAID TAXES AND THE COSTS AND EXPENSES OF THE SALE.

REVISOR'S NOTE: Subsections (a) through (c) of this section are new language substituted for former Art. 81, §§ 68, 202, 343, and 394, and the second clause of § 317. The substituted language reflects what the Tax - General Article Review Committee believed to be consistent with Farmers and Merchants Bank v. Schlossberg, 306 Md. 48, 507 A.2d 172 (1986), in limiting the seemingly broad language of those former sections.