

## **Frederick County Tax Sale Frequently Asked Questions – Bidders**

The following list of the most frequently asked questions and answers has been compiled to inform potential bidders or other interested parties of the basic requirements and guidelines governing participation in the Frederick County Tax Sale. Participation in the Frederick County Tax Sale may result in the immediate purchase of a “tax lien”, but not an actual property, therefore discretion is encouraged. The list does not include all applicable terms. Some of its contents may or may not be applicable and are subject to revision, without prior notice. Additional provisions may be enacted at any time, up to and including Tax Sale Day, and are at the sole discretion of the Collector of State and County taxes for Frederick County. A complete list of terms and conditions will be made available during registration.

**Q1: How often does Frederick County hold tax sales?**

**A1:** Frederick County holds one tax sale per year.

**Q2: What is the date, time and location of the Frederick County Tax Sale?**

**A2:** The date of the tax sale per Frederick County Code Article V, Section 2-7-103.b: “On the second Monday in May, the county treasurer shall, at the hour and place named in such advertisement, proceed to sell all such pieces or parcels of land and premises.” For 2025, the Frederick County Tax Sale will be held on May 12. It will be an internet-based auction using the high bid premium method. The auction will be held online at <https://frederick.marylandtaxsale.com>. Five batches of liens will be offered throughout the day on May 12 with the first batch beginning at 9:00 a.m. Local Time. Acceptance of bids for the final batch ends at 2:00 p.m. Local Time.

**Q3: If I have questions regarding the tax sale, who do I contact?**

**A3:** Questions regarding use of the website and the online bidding process must be directed to Customer Service at 877-361-7325 or emailed to [customerservice@realauction.com](mailto:customerservice@realauction.com). Questions regarding the tax sale policies may be directed to the Frederick County Treasury Department of 301-600-1111 or emailed to [taxsale@frederickcountymd.gov](mailto:taxsale@frederickcountymd.gov).

**Q4: Does Frederick County allow bidders to participate in the auction in person or via mail, telephone or fax?**

**A4:** No. All bidders are required to register and bid on our online auction site.

**Q5: How can a list of tax sale properties be obtained and what is the cost?**

**A5:** Consistent with County code, Frederick County publishes a list of the properties intended to be auctioned in three consecutive weekly issues of a local publication (usually the Frederick News Post), three weeks prior to the actual tax sale. Copies of those publications must be purchased directly from the publisher. A list will also be made available on [www.frederickcountymd.gov/taxsale](http://www.frederickcountymd.gov/taxsale). Bidders will also be able to access the list on the auction site <https://frederick.marylandtaxsale.com>. No other lists are available.

**Q6: Are the properties not bid upon at the tax sale available for sale over the counter?**

**A6:** Certificates for properties not purchased at the tax sale on May 12, 2025 may be purchased at lien value at an assignment sale. In order to participate in the assignment sale, you must be a registered bidder in the tax lien auction. The date and time of the assignment sale and instructions will be emailed to all registered bidders after the completion of the tax lien auction. Any liens that remain unsold after the assignment sale will be made available for purchase over the counter on a first come, first served basis.

**Q7: What are the registration requirements?**

**A7**

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- The registration documents are available at <https://frederick.marylandtaxsale.com>. Registration will begin on April 1, 2025 and end April 30, 2025 at 4:00 p.m. All steps in the bidder registration process, including payment of the \$100 registration fee, must be completed by 4:00 p.m. local time on April 30.
- The \$100 registration fee shall be charged to each bidder's bank account by ACH debit. The registration fee is nonrefundable. Payment in USD (United States Dollars) is required.
- Bidders are required to submit their banking information for verification purposes even if they are returning bidders.
- All notifications or information relating to the tax sale will be sent only to the email address provided during registration. The County will not send notifications or information to additional parties. If notifications or information needs to be sent to additional parties, it is the bidder's responsibility to do so.

**Q8: Is there a fee for registration?**

**A8:** Yes. The \$100 registration fee shall be charged to each bidder's bank account by ACH debit. The registration fee is nonrefundable. Payment in USD (United States Dollars) is required.

**Q9: Is the registration fee refundable?**

**A9:** No.

**Q10: Can registration be done via mail, fax or email?**

**A10:** No. Registration must be completed online at <https://frederick.marylandtaxsale.com>.

**Q11: What is a budget?**

**A11:** A budget must be submitted online to cover the cost of your anticipated purchases. The budget you submit represents the maximum amount allowable for the purchase of certificates during the auction. Taxes as well as high bid premiums will be applied against your submitted budget. If a successful bid plus the total amount due on the certificates already awarded to you exceeds your budget, you will not be awarded that certificate. You may change your submitted budget at any time prior to the close of the auction by entering a new budget amount. Funds may be verified for both the initial and any increased budgets submitted.

**Q12: What is the bidding process?**

**A12:** All bids must be submitted on the <https://frederick.marylandtaxsale.com> website. Bids can be submitted beginning May 12, 2025 at 9:00 a.m. Bids will be awarded to the highest bidder on May 12, at the closing of each batch. Five batches of liens on properties will be offered for bid throughout the day on May 12, 2025. Each tax certificate in each batch is offered independently of every other certificate in that batch. The tax certificates are arranged in election district order on the website.

**Q13: What is a batch?**

**A13:** Batches are subgroups of the advertised list of properties that serve as a means of organizing tax certificates for the purpose of facilitating bid submission. Each tax certificate in each batch is offered independently of every other tax certificate in that batch. A unique closing time is established for each batch.

**Q14: What is the time of the batches in the auction?**

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A14: The first batch will be offered at 9:00 a.m. Local Time and will close at 10:00 a.m. The second batch will begin at 10:00 a.m. and close at 11:00 a.m., and so on until all properties have been auctioned. The final batch offered at 1:15 p.m. will offer all properties for sale that were not sold in the batches offered earlier in the auction. Acceptance of bids for the final batch ends at 2:00 p.m. Local Time.

Q15: **If I am the successful bidder on a property, what do I have to pay?**

A15: All successful bidders/purchasers must pay all outstanding amounts owned on the properties, including the high bid premium, by 4:00 p.m. the day of the tax sale. The bank account entered on the website will be automatically debited for the total amount due for all certificates awarded. Bidders must ensure the funds are available by 4:00 pm the day of tax sale. It may take up to five business days for funds to be debited. Should a successful bidder not make full payment for any or all of the certificates they are awarded in the tax sale, including any associated High Bid Premiums (see below), they will not be awarded any certificates and they may be prohibited from participating in future tax sales. The certificates will be awarded to the next highest bidder.

Q16: **What are high-bid premiums?**

A16: High-bid premiums are additional funds deposited on any tax sale property for which the highest bid exceeds forty percent (40%) of the property's full cash value. The high-bid premium is twenty percent (20%) of the amount that exceeds the forty percent cash value threshold. For example, if the full cash value is \$100,000, the outstanding taxes due are \$1,000 and the successful bid is \$50,000, the bidder should expect to pay:

Taxes		\$ 1,000
High-Bid Premium		
Cash Value	\$ 100,000	
40% Cash Value (\$100,000 x .40)	\$ 40,000	
Bid	\$ 50,000	
Less 40% Cash Value	\$ (40,000)	
Total	<u>\$ 10,000</u>	
20% Premium (\$10,000 x .20)	\$ 10,000	\$ 2,000
Total Payment Due		<u><u>\$ 3,000</u></u>

A total of \$3,000 is due to the County by the close of business the day of the tax sale auction. That is, \$1,000 for the outstanding taxes, interest and costs, plus 20% of the \$10,000, the amount that exceeds forty percent of the full cash value or \$2,000.

The high-bid premium is refundable without interest to the holder of the tax sale certificate or their assignee upon redemption, or the plaintiff in an action to foreclose the right of redemption. The high-bid premium is non-refundable if the property is not redeemed and no action to foreclose the right of redemption is filed within the limitations of the tax sale certificate.

Q17: **If I am the successful bidder on a property, do I take ownership of that property?**

A17: No. The successful bidder will hold a tax lien against the property and be given a tax sale certificate. However, until redeemed, the lien will be considered the foremost financial obligation of the property.

Q18: **How long is the tax lien valid?**

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A18: The tax lien certificate is valid for two years from the date of the certificate. All successful bidders should review the applicable Maryland Code sections that pertain to tax sale to ensure they are complying with all requirements.

Q19: **What interest rate is paid on the lien upon redemption?**

A19: The current interest rate paid by Frederick County on tax sale property is eight percent (8%) per annum. The interest amount will be calculated at a daily rate from the date of sale to the date of redemption.

Q20: **How long does the owner have to redeem the property?**

A20: According to the Annotated Code of Maryland, §14-827: The owner or other person that has an estate or interest in the property sold by the collector may redeem the property at any time up until the right of redemption has been finally barred by a decree of foreclosure.

Q21: **What must the owner do in order to redeem the property from tax sale?**

A21: In order to redeem the property from tax sale, the owner must pay to the County the total amount paid at the tax sale on his or her behalf, together with interest and penalties and any taxes that accrue after the tax sale date.

For non-owner occupied property: If the redemption occurs after four months from the date of sale, the owner must first reimburse the holder of the certificate for any expenses and attorney's fees incurred. The certificate holder will then provide the owner with a letter of release, which will allow the owner to redeem the property from tax sale. Please request the attorney's office to forward a copy of the release to [taxsale@frederickcountymd.gov](mailto:taxsale@frederickcountymd.gov). If non-owner occupied property is redeemed within the first four months from the tax sale date, the owner is not liable for any bidder expenses and a letter of release is not necessary.

For owner-occupied property: If the redemption occurs after seven months from the date of sale, the owner must first reimburse the holder of the certificate for any expenses and attorney's fees incurred. The certificate holder will then provide the owner with a letter of release, which will allow the owner to redeem the property from tax sale. Please request the attorney's office to forward a copy of the release to [taxsale@frederickcountymd.gov](mailto:taxsale@frederickcountymd.gov). If owner occupied property is redeemed within the first seven months from the tax sale date, the owner is not liable for any bidder expenses and a letter of release is not necessary.

Q22: **What if the owner does not redeem the property?**

A22: If an owner fails to redeem their property from tax sale, the bidder may file a civil action case in court to foreclose the owner's right of redemption.

For non-owner occupied property: The action to foreclose the owner's right of redemption must be filed no less than six months from the date of the sale and no more than two years from the date of the certificate.

For owner occupied property: The action to foreclose the owner's right of redemption must be filed no less than nine months from the date of the sale and no more than two years from the date of the certificate.

If judgment is granted in favor of the bidder, the bidder may gain full title to the property by paying the balance of their bid, if any, and any taxes that accrue after the date of sale, after which a deed can be drawn. All successful bidders should review the applicable Maryland Code sections that pertain to tax sale to ensure they are complying with all requirements.

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**Q23: Does Frederick County initiate or handle any foreclosure proceedings?**

**A23:** No. Frederick County may not provide legal counsel or assistance to either party in a civil action case. Interested parties should seek professional advice as deemed necessary.

**Q24: What will happen if a bidder does not file a civil action case within two years?**

**A24:** If an owner does not redeem and no civil action case is filed within two years from the date of the certificate of sale, the certificate of sale is void and the bidder loses all rights to the property and subsequently to any monetary reimbursement. The property will be sold again. All successful bidders should review the applicable Maryland Code sections that pertain to tax sale to ensure they are complying with all requirements.

**Q25: How can I get a copy of the statutes regarding the tax lien certificate sale in Frederick County?**

**A25:** The tax lien certificate sale statutes are found in the Maryland Tax-Property Article. The sections for tax lien certificate sales are §14-808 through §14-854 inclusive. We do not provide copies of the statutes.