

SB0788/408774/1

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 788
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute “Real Property – Foreclosed Property Registry”; strike beginning with “requiring” in line 3 down through “State” in line 15 and substitute “requiring the Department of Labor, Licensing, and Regulation to establish and maintain a Foreclosed Property Registry for certain property; requiring certain foreclosure purchasers to register certain residential property and to pay certain fees under certain circumstances; authorizing a local jurisdiction to enact a local law to impose a certain civil penalty for a certain violation of this Act; imposing certain limits on access to the Foreclosed Property Registry; establishing that certain fees are nonrefundable; authorizing a local jurisdiction that takes certain actions related to a residential property on the Registry to collect the cost associated with the action as a charge on the residential property’s property tax bill; requiring a local jurisdiction to give certain advance written notice before taking certain actions; establishing the Foreclosed Property Registry Fund; providing for the purpose and composition of the Fund; requiring the State Treasurer to invest money in the Fund; providing that earnings from the Fund shall be credited to the Fund; exempting the Fund from a certain provision of law requiring interest on State money in special funds to accrue to the General Fund of the State; repealing a certain provision of law authorizing a county or municipal corporation to enact a certain local law relating to notice of a foreclosure on residential property; establishing that only the State may enact a certain law; establishing that a certain provision does not restrict or otherwise affect the ability of a unit of government to require a certain notice or registration to be filed for a certain purpose; requiring the Department to report certain information to the General Assembly on or before a certain date; establishing that this Act is not intended to repeal a certain local law; and generally relating to the Foreclosed Property Registry.”; after line 15, insert:

(Over)

“BY repealing

Article - Real Property

Section 14-126(c)

Annotated Code of Maryland

(2010 Replacement Volume and 2011 Supplement)”;

in line 18, strike “7-105.11” and substitute “14-126.1”; and after line 20, insert:

“BY repealing and reenacting, with amendments,

Article - State Finance and Procurement

Section 6-226(a)(2)(ii)62. and 63.

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)

BY adding to

Article - State Finance and Procurement

Section 6-226(a)(2)(ii)64.

Annotated Code of Maryland

(2009 Replacement Volume and 2011 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 23, insert:

“14-126.

[(c) (1) In this subsection, "residential property" has the meaning stated in § 7-105.1 of this article.

(2) A county or municipal corporation may enact a local law requiring that notice be given to a county or municipal agency or official when an order to docket or a complaint to foreclose a mortgage or deed of trust is filed on residential property located within the county or municipal corporation.

(3) A local law enacted under this subsection shall require that within five days after filing an order to docket or a complaint to foreclose a mortgage or deed of trust on residential property, the person authorized to make the sale shall give notice of the filing to the county or municipal agency or official designated by the local law.

(4) The notice required under paragraph (3) of this subsection shall include:

(i) The street address of the residential property subject to the foreclosure action;

(ii) The names and addresses, if known, of all owners of the residential property subject to the foreclosure action; and

(iii) The name, address, and telephone number of the person authorized to make the sale.]

14-126.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

(3) “FORECLOSED PROPERTY REGISTRY” MEANS THE FORECLOSED PROPERTY REGISTRY ESTABLISHED BY THE DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION.

(4) “FORECLOSURE PURCHASER” MEANS THE PERSON IDENTIFIED AS THE PURCHASER ON THE REPORT OF SALE REQUIRED BY MARYLAND RULE 14-305 FOR A FORECLOSURE SALE OF RESIDENTIAL PROPERTY.

(5) “FUND” MEANS THE FORECLOSED PROPERTY REGISTRY FUND ESTABLISHED BY THE DEPARTMENT UNDER SUBSECTION (I) OF THIS SECTION.

(6) “LOCAL JURISDICTION” MEANS:

(I) A COUNTY; OR

(II) A MUNICIPAL CORPORATION.

(7) “RESIDENTIAL PROPERTY” MEANS REAL PROPERTY IMPROVED BY FOUR OR FEWER DWELLING UNITS THAT ARE DESIGNED PRINCIPALLY AND ARE INTENDED FOR HUMAN HABITATION.

(B) THE DEPARTMENT SHALL ESTABLISH AND MAINTAIN AN INTERNET-BASED FORECLOSED PROPERTY REGISTRY FOR INFORMATION RELATING TO FORECLOSURE SALES OF RESIDENTIAL PROPERTY.

(C) AT THE TIME OF A FORECLOSURE SALE OF RESIDENTIAL PROPERTY, THE PERSON RESPONSIBLE FOR CONDUCTING THE FORECLOSURE SHALL OBTAIN FROM THE FORECLOSURE PURCHASER A WRITTEN ACKNOWLEDGMENT OF THE REQUIREMENTS OF THIS SECTION.

(D) (1) WITHIN 30 DAYS AFTER A FORECLOSURE SALE OF RESIDENTIAL PROPERTY, A FORECLOSURE PURCHASER SHALL SUBMIT AN INITIAL REGISTRATION TO THE FORECLOSED PROPERTY REGISTRY.

(2) THE INITIAL REGISTRATION SHALL:

(i) BE IN THE FORM THE DEPARTMENT REQUIRES; AND

(ii) CONTAIN THE FOLLOWING INFORMATION:

1. THE NAME, TELEPHONE NUMBER, AND ADDRESS OF THE FORECLOSURE PURCHASER;

2. THE STREET ADDRESS OF THE PROPERTY THAT IS THE SUBJECT OF THE FORECLOSURE SALE;

3. THE DATE OF THE FORECLOSURE SALE;

4. WHETHER THE PROPERTY IS A SINGLE-FAMILY OR MULTIFAMILY PROPERTY;

5. THE NAME AND ADDRESS OF THE PERSON, INCLUDING A SUBSTITUTE PURCHASER, WHO IS AUTHORIZED TO ACCEPT LEGAL SERVICE FOR THE FORECLOSURE PURCHASER;

6. TO THE BEST OF THE FORECLOSURE PURCHASER'S KNOWLEDGE AT THE TIME OF REGISTRATION:

A. WHETHER THE RESIDENTIAL PROPERTY IS VACANT; AND

(Over)

B. THE NAME, TELEPHONE NUMBER, AND STREET ADDRESS OF THE PERSON WHO IS RESPONSIBLE FOR THE MAINTENANCE OF THE PROPERTY; AND

7. WHETHER THE FORECLOSURE PURCHASER HAS POSSESSION OF THE PROPERTY.

(3) WITHIN 30 DAYS AFTER A DEED TRANSFERRING TITLE TO THE RESIDENTIAL PROPERTY HAS BEEN RECORDED, THE FORECLOSURE PURCHASER SHALL SUBMIT A FINAL REGISTRATION TO THE FORECLOSED PROPERTY REGISTRY.

(4) THE FINAL REGISTRATION SHALL:

(I) BE IN THE FORM THE DEPARTMENT REQUIRES; AND

(II) CONTAIN THE FOLLOWING INFORMATION AS OF THE DATE OF FINAL REGISTRATION:

1. THE NAME, TELEPHONE NUMBER, AND ADDRESS OF THE OWNER ON THE DEED;

2. THE DATE OF THE RATIFICATION OF THE SALE;

AND

3. THE DATE THE DEED WAS RECORDED.

(E) (1) THE FILING FEES FOR REGISTERING A RESIDENTIAL PROPERTY ARE:

(I) \$50 FOR AN INITIAL REGISTRATION FILED WITHIN THE TIME PERIOD REQUIRED UNDER SUBSECTION (D)(1) OF THIS SECTION; AND

(II) \$100 FOR AN INITIAL REGISTRATION FILED AFTER THE TIME PERIOD REQUIRED UNDER SUBSECTION (D)(1) OF THIS SECTION.

(2) THERE IS NO FEE FOR A FINAL REGISTRATION.

(3) A FILING FEE PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION IS NONREFUNDABLE.

(4) A LOCAL JURISDICTION MAY ENACT A LOCAL LAW THAT IMPOSES A CIVIL PENALTY FOR FAILURE TO REGISTER UNDER THIS SECTION IN AN AMOUNT NOT EXCEEDING \$1,000.

(F) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A LOCAL JURISDICTION THAT, IN ACCORDANCE WITH ANY APPLICABLE BUILDING CODE OR LOCAL ORDINANCE, ABATES A NUISANCE ON A RESIDENTIAL PROPERTY REGISTERED UNDER THIS SECTION OR TAKES ACTION TO MAINTAIN A RESIDENTIAL PROPERTY REGISTERED UNDER THIS SECTION MAY COLLECT THE COST ASSOCIATED WITH THE ABATEMENT OR OTHER ACTION AS A CHARGE INCLUDED ON THE RESIDENTIAL PROPERTY'S PROPERTY TAX BILL.

(2) (I) THE COST ASSOCIATED WITH AN ABATEMENT OR OTHER ACTION TAKEN UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE INCLUDED AS A CHARGE ON THE RESIDENTIAL PROPERTY'S PROPERTY TAX BILL UNLESS THE LOCAL JURISDICTION PROVIDES ADVANCE WRITTEN NOTICE IN ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH TO:

(Over)

1. THE PERSON IDENTIFIED IN THE REGISTRY WHO IS AUTHORIZED TO ACCEPT LEGAL SERVICE FOR THE FORECLOSURE PURCHASER; AND

2. THE PERSON IDENTIFIED IN THE REGISTRY WHO IS RESPONSIBLE FOR THE MAINTENANCE OF THE PROPERTY.

(II) THE NOTICE DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL:

1. DESCRIBE THE INTENDED ABATEMENT OR OTHER ACTION THE LOCAL JURISDICTION INTENDS TO TAKE; AND

2. BE PROVIDED:

A. IN ACCORDANCE WITH THE NOTICE PROVISIONS OF THE APPLICABLE BUILDING CODE OR LOCAL ORDINANCE; OR

B. IF THE APPLICABLE BUILDING CODE OR LOCAL ORDINANCE DOES NOT PROVIDE FOR NOTICE, AT LEAST 30 DAYS BEFORE THE LOCAL JURISDICTION ABATES THE NUISANCE OR TAKES ACTION TO MAINTAIN THE PROPERTY.

(G) (1) THE FORECLOSED PROPERTY REGISTRY:

(I) IS NOT A PUBLIC RECORD AS DEFINED BY § 10-611 OF THE STATE GOVERNMENT ARTICLE; AND

(II) IS NOT SUBJECT TO TITLE 10, SUBTITLE 6 OF THE STATE GOVERNMENT ARTICLE.

(2) THE DEPARTMENT MAY AUTHORIZE ACCESS TO THE FORECLOSED PROPERTY REGISTRY ONLY TO LOCAL JURISDICTIONS, THEIR AGENCIES, AND REPRESENTATIVES AND STATE AGENCIES.

(3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE INFORMATION FOR A SPECIFIC PROPERTY IN THE FORECLOSED PROPERTY REGISTRY TO:

(I) A PERSON WHO OWNS PROPERTY ON THE SAME BLOCK;

OR

(II) A HOMEOWNERS ASSOCIATION OR CONDOMINIUM IN WHICH THE PROPERTY IS LOCATED.

(H) REVENUE COLLECTED FROM THE FILING FEES REQUIRED UNDER SUBSECTION (E)(1) OF THIS SECTION SHALL BE DISTRIBUTED TO THE FUND.

(I) (1) THERE IS A FORECLOSED PROPERTY REGISTRY FUND IN THE DEPARTMENT.

(2) THE PURPOSE OF THE FUND IS TO SUPPORT THE DEVELOPMENT, ADMINISTRATION, AND MAINTENANCE OF THE FORECLOSED PROPERTY REGISTRY ESTABLISHED UNDER THIS SECTION.

(3) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(Over)

(4) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(II) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(5) THE FUND CONSISTS OF:

(I) REVENUE DISTRIBUTED TO THE FUND UNDER SUBSECTION (H) OF THIS SECTION;

(II) INVESTMENT EARNINGS OF THE FUND;

(III) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND

(IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(6) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(II) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE FUND.

(J) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, ONLY THE STATE MAY ENACT A LAW REQUIRING A NOTICE TO BE FILED WITH A UNIT OF GOVERNMENT TO REGISTER RESIDENTIAL PROPERTIES THAT ARE SUBJECT TO FORECLOSURE.

(2) THIS SUBSECTION DOES NOT RESTRICT OR OTHERWISE AFFECT THE ABILITY OF A UNIT OF GOVERNMENT TO REQUIRE A REGISTRATION OR NOTICE TO BE FILED FOR A PURPOSE OTHER THAN ONE RELATING TO FORECLOSURE, EVEN IF A PROPERTY TO BE IDENTIFIED IN THE REGISTRATION OR NOTICE IS SUBJECT TO FORECLOSURE.

Article - State Finance and Procurement

6-226.

(a) (2) (ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

62. Veterans Trust Fund; [and]

63. Transportation Trust Fund; AND

64. **FORECLOSED PROPERTY REGISTRY FUND.**

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before January 1, 2013, the Department of Labor, Licensing, and Regulation shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the status of the Foreclosed Property Registry and the Foreclosed Property Registry Fund established under this Act, including the number of properties registered, the cost of maintaining the Foreclosed Property Registry, the Fund balance, whether the registration fees need to be altered to reflect the costs of maintaining the Foreclosed Property Registry, and the Department's assessment of the effectiveness of the Registry.

(Over)

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is not intended to repeal any local law that was enacted under Chapter 149 of the Acts of the General Assembly of 2009 and that is in effect on the effective date of this Act.”.

On pages 1 and 2, strike in their entirety the lines beginning with line 24 on page 1 through line 31 on page 2, inclusive.

On page 2, in line 32, strike “2.” and substitute “4”.