

HOUSE BILL 372

N1

5lr0325

By: **Delegate Walker**

Introduced and read first time: February 6, 2015

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Vacant and Abandoned Residential Property**

3 FOR the purpose of requiring certain mortgage lenders to inspect certain residential
4 properties for evidence of abandonment under certain circumstances; requiring
5 certain mortgage lenders to maintain vacant and abandoned property in a certain
6 manner; authorizing a mortgage lender to peaceably enter, or cause others to
7 peaceably enter, a vacant and abandoned property for certain purposes; authorizing
8 certain persons to seek certain injunctive or other equitable relief under certain
9 circumstances; requiring the Department of Labor, Licensing, and Regulation to
10 establish and maintain a Vacant and Abandoned Property Registry for certain
11 property; requiring certain mortgage lenders to register certain residential property
12 and to pay certain fees under certain circumstances; authorizing a local jurisdiction
13 to enact a certain local law; imposing certain limits on access to the Registry;
14 establishing that certain fees are nonrefundable; establishing the Vacant and
15 Abandoned Property Registry Fund as a special, nonlapsing fund; specifying the
16 purpose of the Fund; requiring the Department to administer the Fund; requiring
17 the State Treasurer to hold the Fund and the Comptroller to account for the Fund;
18 specifying the contents of the Fund; specifying the purpose for which the Fund may
19 be used; providing for the investment of money in and expenditures from the Fund;
20 exempting the Fund from a certain provision of law; defining certain terms; and
21 generally relating to vacant and abandoned residential property.

22 BY adding to

23 Article – Real Property

24 Section 14–601 through 14–603 to be under the new subtitle “Subtitle 6. Vacant and
25 Abandoned Residential Property”

26 Annotated Code of Maryland

27 (2010 Replacement Volume and 2014 Supplement)

28 BY repealing and reenacting, with amendments,

29 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–226(a)(2)(ii)81. and 82.
2 Annotated Code of Maryland
3 (2009 Replacement Volume and 2014 Supplement)

4 BY adding to
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)83.
7 Annotated Code of Maryland
8 (2009 Replacement Volume and 2014 Supplement)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That the Laws of Maryland read as follows:

11 **Article – Real Property**

12 **SUBTITLE 6. VACANT AND ABANDONED RESIDENTIAL PROPERTY.**

13 **14–601.**

14 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 (B) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR, LICENSING, AND
17 REGULATION.

18 (C) “LOCAL JURISDICTION” MEANS:

19 (1) A COUNTY; OR

20 (2) A MUNICIPAL CORPORATION.

21 (D) “MORTGAGE LENDER” MEANS THE MARYLAND MORTGAGE LENDER OR
22 OTHER PERSON LISTED AS THE LENDER ON A MORTGAGE, A DEED OF TRUST, OR ANY
23 OTHER INSTRUMENT SECURING A MORTGAGE LOAN ON RESIDENTIAL PROPERTY.

24 (E) “MORTGAGE LOAN” HAS THE MEANING STATED IN § 11–501 OF THE
25 FINANCIAL INSTITUTIONS ARTICLE.

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

1 (G) "VACANT AND ABANDONED PROPERTY" MEANS RESIDENTIAL
2 PROPERTY DETERMINED TO BE VACANT AND ABANDONED IN ACCORDANCE WITH §
3 14-602 OF THIS SUBTITLE.

4 14-602.

5 (A) FOR PURPOSES OF THIS SUBTITLE, RESIDENTIAL PROPERTY SHALL BE
6 CONSIDERED VACANT AND ABANDONED IF:

7 (1) (I) AT LEAST THREE MONTHLY PAYMENTS ARE PAST DUE ON
8 THE MORTGAGE LOAN ON THE PROPERTY; OR

9 (II) THE PROPERTY OWNER HAS PROVIDED WRITTEN NOTICE
10 TO THE MORTGAGE LENDER THAT THE OWNER DOES NOT INTEND TO OCCUPY THE
11 PROPERTY IN THE FUTURE; AND

12 (2) (I) IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION,
13 THE MORTGAGE LENDER HAS REASON TO BELIEVE THAT THE PROPERTY IS NOT
14 OCCUPIED; OR

15 (II) A COURT OR A LOCAL CODE ENFORCEMENT AGENCY HAS
16 DETERMINED THAT THE PROPERTY POSES A RISK TO THE HEALTH, SAFETY, AND
17 WELFARE OF THE PUBLIC.

18 (B) RESIDENTIAL PROPERTY MAY NOT BE CONSIDERED VACANT AND
19 ABANDONED IF THE PROPERTY:

20 (1) IS UNDERGOING CONSTRUCTION, RENOVATION, OR
21 REHABILITATION AND IS IN COMPLIANCE WITH APPLICABLE LAWS AND
22 ORDINANCES;

23 (2) IS OCCUPIED ON A SEASONAL BASIS;

24 (3) IS THE SUBJECT OF A PROBATE ACTION, AN ACTION TO QUIET
25 TITLE, OR ANY OTHER OWNERSHIP DISPUTE;

26 (4) HAS BEEN DAMAGED BY A NATURAL DISASTER AND THE
27 BORROWER INTENDS TO REPAIR AND REOCCUPY THE PROPERTY; OR

28 (5) IS OCCUPIED BY THE PROPERTY OWNER, A RELATIVE OF THE
29 OWNER, OR A BONA FIDE TENANT.

1 **(C) (1) NO LATER THAN 7 DAYS AFTER THE DATE ON WHICH TWO**
2 **PAYMENTS ON A MORTGAGE LOAN ON RESIDENTIAL PROPERTY BECOME PAST DUE,**
3 **THE MORTGAGE LENDER SHALL BEGIN PERIODIC INSPECTIONS OF THE PROPERTY**
4 **FOR EVIDENCE OF ABANDONMENT, INCLUDING:**

5 **(I) OVERGROWN OR DEAD VEGETATION;**

6 **(II) ACCUMULATED NEWSPAPERS, FLYERS, OR MAIL;**

7 **(III) PAST DUE UTILITIES NOTICES, DISCONNECTED UTILITIES,**
8 **OR UTILITIES NOT IN USE;**

9 **(IV) ACCUMULATED TRASH OR DEBRIS;**

10 **(V) THE ABSENCE OF WINDOW COVERINGS SUCH AS CURTAINS,**
11 **BLINDS, OR SHUTTERS; OR**

12 **(VI) BUILDINGS OR STRUCTURES THAT ARE UNSECURED OR**
13 **THAT APPEAR STRUCTURALLY UNSOUND.**

14 **(2) PERIODIC INSPECTIONS SHALL BE MADE AT LEAST ONCE EVERY**
15 **30 DAYS UNTIL THE MORTGAGE LENDER DETERMINES THAT THE RESIDENTIAL**
16 **PROPERTY IS VACANT AND ABANDONED.**

17 **(D) IF A MORTGAGE LENDER DETERMINES THAT A RESIDENTIAL PROPERTY**
18 **IS VACANT AND ABANDONED, THE MORTGAGE LENDER SHALL:**

19 **(1) REGISTER THE PROPERTY WITH THE VACANT AND ABANDONED**
20 **PROPERTY REGISTRY, IN ACCORDANCE WITH § 14-603 OF THIS SUBTITLE; AND**

21 **(2) MAINTAIN THE PROPERTY IN A MANNER CONSISTENT WITH**
22 **APPLICABLE BUILDING CODES AND ORDINANCES OF THE LOCAL JURISDICTION**
23 **WHERE THE PROPERTY IS LOCATED UNTIL A DEED TRANSFERRING TITLE TO THE**
24 **RESIDENTIAL PROPERTY HAS BEEN RECORDED.**

25 **(E) A MORTGAGE LENDER MAY PEACEABLY ENTER, OR CAUSE OTHERS TO**
26 **PEACEABLY ENTER, A RESIDENTIAL PROPERTY FOR THE PURPOSE OF CARRYING**
27 **OUT INSPECTIONS OR MAINTENANCE REQUIRED BY THIS SECTION.**

28 **(F) IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW, A PERSON WHO**
29 **OWNS PROPERTY ON THE SAME BLOCK AS A VACANT AND ABANDONED PROPERTY,**
30 **OR THE HOMEOWNERS ASSOCIATION OR CONDOMINIUM IN WHICH A VACANT AND**
31 **ABANDONED PROPERTY IS LOCATED, MAY SEEK INJUNCTIVE OR OTHER EQUITABLE**

1 RELIEF TO REQUIRE A MORTGAGE LENDER TO COMPLY WITH THE REQUIREMENTS
2 OF THIS SECTION.

3 14-603.

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

6 (2) "FUND" MEANS THE VACANT AND ABANDONED PROPERTY
7 REGISTRY FUND ESTABLISHED BY THE DEPARTMENT UNDER SUBSECTION (G) OF
8 THIS SECTION.

9 (3) "VACANT AND ABANDONED PROPERTY REGISTRY" MEANS THE
10 VACANT AND ABANDONED PROPERTY REGISTRY ESTABLISHED BY THE
11 DEPARTMENT UNDER SUBSECTION (B) OF THIS SECTION.

12 (B) THE DEPARTMENT SHALL ESTABLISH AND MAINTAIN AN
13 INTERNET-BASED VACANT AND ABANDONED PROPERTY REGISTRY FOR
14 INFORMATION RELATING TO VACANT AND ABANDONED PROPERTY.

15 (C) (1) WITHIN 30 DAYS AFTER A MORTGAGE LENDER DETERMINES THAT
16 A RESIDENTIAL PROPERTY IS VACANT AND ABANDONED, THE MORTGAGE LENDER
17 SHALL SUBMIT A REGISTRATION TO THE VACANT AND ABANDONED PROPERTY
18 REGISTRY.

19 (2) THE REGISTRATION SHALL:

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

21 (II) CONTAIN THE FOLLOWING INFORMATION:

22 1. THE NAME, TELEPHONE NUMBER, AND ADDRESS OF
23 THE MORTGAGE LENDER RESPONSIBLE FOR MAINTAINING THE VACANT AND
24 ABANDONED PROPERTY;

25 2. THE STREET ADDRESS OF THE VACANT AND
26 ABANDONED PROPERTY;

27 3. IF A FORECLOSURE ACTION HAS BEEN FILED FOR THE
28 VACANT AND ABANDONED PROPERTY, THE DATE ON WHICH THE FORECLOSURE
29 ACTION WAS COMMENCED; AND

1 **4. THE NAME AND LAST KNOWN TELEPHONE NUMBER**
2 **AND ADDRESS OF THE PROPERTY OWNER.**

3 **(D) (1) THE FILING FEES FOR REGISTERING A VACANT AND ABANDONED**
4 **PROPERTY ARE:**

5 **(I) \$50 FOR A REGISTRATION FILED WITHIN THE TIME PERIOD**
6 **REQUIRED UNDER SUBSECTION (C)(1) OF THIS SECTION; AND**

7 **(II) \$100 FOR A REGISTRATION FILED AFTER THE TIME PERIOD**
8 **REQUIRED UNDER SUBSECTION (C)(1) OF THIS SECTION.**

9 **(2) A FILING FEE PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION**
10 **IS NONREFUNDABLE.**

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

14 **(E) (1) THE VACANT AND ABANDONED PROPERTY REGISTRY:**

15 **(I) IS NOT A PUBLIC RECORD AS DEFINED BY § 4-101 OF THE**
16 **GENERAL PROVISIONS ARTICLE; AND**

17 **(II) IS NOT SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS**
18 **ARTICLE.**

19 **(2) THE DEPARTMENT MAY AUTHORIZE ACCESS TO THE VACANT AND**
20 **ABANDONED PROPERTY REGISTRY ONLY TO:**

21 **(I) LOCAL JURISDICTIONS, THEIR AGENCIES, AND THEIR**
22 **REPRESENTATIVES; AND**

23 **(II) STATE AGENCIES.**

24 **(3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS**
25 **SUBSECTION, THE DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE**
26 **INFORMATION FOR A SPECIFIC PROPERTY IN THE VACANT AND ABANDONED**
27 **PROPERTY REGISTRY TO:**

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

1 **(II) A HOMEOWNERS ASSOCIATION OR CONDOMINIUM IN WHICH**
2 **THE VACANT AND ABANDONED PROPERTY IS LOCATED.**

3 **(F) REVENUE COLLECTED FROM THE FILING FEES REQUIRED UNDER**
4 **SUBSECTION (D)(1) OF THIS SECTION SHALL BE DISTRIBUTED TO THE FUND.**

5 **(G) (1) THERE IS A VACANT AND ABANDONED PROPERTY REGISTRY**
6 **FUND IN THE DEPARTMENT.**

7 **(2) THE PURPOSE OF THE FUND IS TO SUPPORT THE DEVELOPMENT,**
8 **ADMINISTRATION, AND MAINTENANCE OF THE VACANT AND ABANDONED**
9 **PROPERTY REGISTRY ESTABLISHED UNDER THIS SECTION.**

10 **(3) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

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

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

15 **(5) THE FUND CONSISTS OF:**

16 **(I) REVENUE DISTRIBUTED TO THE FUND UNDER SUBSECTION**
17 **(D) OF THIS SECTION;**

18 **(II) INVESTMENT EARNINGS OF THE FUND;**

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

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

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

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

27 **Article – State Finance and Procurement**

28 6-226.

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

3 81. the Cybersecurity Investment Fund; [and]

4 82. the Northeastern Maryland Additive Manufacturing
5 Innovation Authority Fund; AND

6 83. **THE VACANT AND ABANDONED PROPERTY REGISTRY**
7 **FUND.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2015.