Department of Legislative Services

Maryland General Assembly 2015 Session

FISCAL AND POLICY NOTE

Senate Bill 197 (Senator Astle) Education, Health, and Environmental Affairs

Municipalities - Vacant and Blighted Buildings

This bill authorizes a municipality, by ordinance, to establish a Vacant and Blighted Buildings Registry that requires owners of vacant buildings to register their buildings with the municipality. If a municipality adopts the ordinance, the owner of a vacant building must (1) register the building with the municipality within 30 days of becoming a vacant building and (2) pay a registration fee set by the municipality. The bill requires a municipality with such a program to inspect a registered building and authorizes civil and criminal penalties for a building owner who fails to register. The bill authorizes a municipality to set separate special property tax rates for vacant buildings and for blighted vacant buildings. Finally, the bill provides notice to property owners of a registration denial or a determination that an unregistered building is a vacant building or a blighted vacant building, and an opportunity for judicial review of such a determination.

Fiscal Summary

State Effect: None.

Local Effect: Expenditures for municipalities that use the authority under the bill may increase to reflect additional personnel and administrative costs for establishing and maintaining a registry. Municipal revenues may increase due to the imposition of new fees, penalties, and higher property tax rates. The amount of any revenue increase will vary by municipality and will depend on the number of vacant and blighted buildings, registration fee, fines imposed, and property tax rates.

Small Business Effect: Minimal.

Analysis

Bill Summary: A vacant building is defined as real property improved by a building that is not occupied continuously. A blighted vacant building is defined as a vacant building that is determined by a municipality to be unsafe or insanitary or that is otherwise determined to threaten the health, safety, or general welfare of the community.

A person who fails to register a vacant building is guilty of a misdemeanor and on conviction is subject to a fine of up to \$2,000. In addition, a person who violates this provision is liable to the municipality for a civil penalty of \$2,000 per day for each day that the violation continues. The maximum amount of a civil penalty may not exceed the assessed value of the property.

The municipality may set a special tax rate for vacant buildings of up to \$5.00 more per \$100 of assessed value than the rate that would otherwise apply to the building. This tax rate applies whether or not a vacant building is registered with the municipality. The municipality may set a special tax rate for blighted vacant buildings of up to \$10.00 more per \$100 of assessed value than the rate that would otherwise apply to the building.

Current Law/Background: The concept of "nuisance" originates under common law and is something that causes offense, annoyance, trouble, or injury. A private nuisance obstructs the rights of a specific individual or group, while a public nuisance is an act or omission that obstructs, damages, or inconveniences the rights of the community.

Several types of nuisances are specifically addressed in State law, including:

- conditions that are dangerous to health or safety, including an inadequately protected swimming pool, an unprotected open ditch, an unsanitary outhouse, a foul pigpen, an improperly functioning sewage system, an unkempt junkyard or scrap metal processing facility, an excessive accumulation of trash or garbage, a dead animal, a contaminated or inadequately protected water supply, a rodent harborage, poor housekeeping that could endanger an individual's health, or any condition that may endanger health and may be transmitted by means including surface drainage and air currents (Title 20 of the Health-General Article);
- dwellings, buildings, vehicles, vessels, aircraft, or any other place(s) used by individuals to administer illegally controlled substances or where controlled dangerous substances or controlled substances or controlled paraphernalia are manufactured, distributed, dispensed, stored, or concealed illegally (Title 5 of the Criminal Law Article);

- conditions affecting public health and involving plumbing, drainage, offensive trades, water supplies, and disposal of any waste material (Title 10 of the Environment Article); and
- property that is used for prostitution or for the administration, manufacture, distribution, or storage of a controlled dangerous substance or related paraphernalia (Title 14 of the Real Property Article).

Depending on the nuisance, the department charged with abating the nuisance is authorized to enter onto private property to determine its existence.

Additionally, each county board of health is authorized to adopt and enforce rules and regulations on any nuisance or cause of disease in the county. If a county health officer investigates and finds a nuisance, the health officer is required to serve a written notice to the person who is causing the nuisance, ordering the person to abate the nuisance within a specified period of time.

The City of Annapolis reports that between 30 and 50 properties may meet the definition of a vacant building and another 20 buildings may be considered blighted.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): City of Annapolis, City of Bowie, City of Takoma Park, State Department of Assessments and Taxation, Judiciary (Administrative Office of the Courts), Maryland Municipal League, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2015

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