

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 222

(Senator Kelley)

Judicial Proceedings

Environment and Transportation

Foreclosed Property Registry - Updated Information - Notice to Local
Governments

This bill requires the Department of Labor, Licensing, and Regulation (DLLR), on receipt of an initial registration of a property by the Foreclosed Property Registry (FPR), or any change to existing information filed with FPR, to promptly notify the county and, if appropriate, the municipal corporation in which the property is located. The bill also requires DLLR to establish procedures that require a foreclosure purchaser to submit to FPR any changes to specified information within 21 business days after the change is known to the purchaser. **The bill takes effect January 1, 2019.**

Fiscal Summary

State Effect: DLLR can implement the bill's requirements with existing resources, as discussed below. Revenues are not affected.

Local Effect: Local governments can receive registration information with existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: Chapter 155 of 2012 required DLLR to establish and maintain an Internet-based FPR for information relating to foreclosure sales of residential property. The law requires a foreclosure purchaser to submit an initial registration form to DLLR within 30 days of the sale and a final registration form within 30 days after a deed transferring title to the property has been recorded. The initial registration form requires

the foreclosure purchaser to provide specified information, including (1) the contact information of the purchaser; (2) the street address of the foreclosed property; (3) whether the property is a single-family or multifamily property; (4) to the best of the purchaser's knowledge, whether the property is vacant; and (5) whether the purchaser has possession of the property.

DLLR is prohibited from granting access to the registry to any person or entity other than a local jurisdiction, its agencies or representatives, or a State agency. FPR is not a public record as defined by the State Government Article and is, therefore, exempt from public access requirements. However, DLLR or a local jurisdiction may provide information for a specific property in the registry to a person who owns property on the same block or a homeowners association or condominium in which the property is located.

Chapters 348 and 349 of 2017, which take effect October 1, 2018, additionally require a person authorized to make a sale of residential property to provide DLLR with a notice of foreclosure containing specified information within seven days of the filing of an order to docket or a complaint to foreclose a mortgage or deed of trust on a form that the department requires, which may be in the form of a registration with FPR. Chapters 348 and 349 also impose restrictions, similar to those already in place, on access to FPR data to include the new notices. DLLR or a local jurisdiction may continue to provide information for a specific property in the registry to a person who owns property on the same block or a homeowners association or condominium in which the property is located.

Background: DLLR advises that FPR received 11,461 initial registrations in fiscal 2017, averaging 955 per month.

State Expenditures: The bill's requirements can likely be met with existing resources. DLLR advises that the changes required were anticipated in upgrades that are scheduled to be complete by January 1, 2019, although internal processes and policies will need to be adjusted to accommodate the bill's requirements.

Additional Information

Prior Introductions: HB 954 of 2017, a similar bill, passed the House as amended and subsequently passed the Senate with amendments, but no further action was taken. HB 1286 of 2016, another similar bill, was referred to interim study by the House Environment and Transportation Committee.

Cross File: HB 78 (Delegate Holmes) - Environment and Transportation.

Information Source(s): Caroline, Montgomery, and Prince George’s counties; City of Bowie; Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: mag/kdm
First Reader - January 19, 2018
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