

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 85 (Delegate Grammer)
 Environment and Transportation

Department of Labor, Licensing, and Regulation - Foreclosed Property Registry
- Access

This bill authorizes the Department of Labor, Licensing, and Regulation (DLLR) to authorize access to the Foreclosed Property Registry (FPR) to members of local legislative bodies and members of the General Assembly. The bill specifies that DLLR must, on request of a member of a local legislative body or the General Assembly, provide information from FPR to the member making the request.

Fiscal Summary

State Effect: Special fund expenditures increase by \$65,000 in FY 2019 for computer programming costs. Revenues are not affected.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	65,000	0	0	0	0
Net Effect	(\$65,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None. The bill primarily codifies existing practice.

Small Business Effect: None.

Analysis

Bill Summary: “Local legislative body” means the elected body of a local jurisdiction, and includes the board of county commissioners, the county council, and the governing body of a municipal corporation.

Current Law:

Foreclosed Property Registry

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 the 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: Special fund expenditures for DLLR increase by \$65,000 in fiscal 2019 for software upgrades necessary to implement the bill's requirements. DLLR advises that it provides access to FPR to members of local legislative bodies under the existing authorization to provide access to local jurisdictions and their agencies. DLLR interprets Chapters 348 and 349 as establishing a separate, parallel registry, access to which is governed by the status and access provisions contained in Chapters 348 and 349. Thus, while members of local legislative bodies would be authorized to access both FPR and the new database for notices of foreclosure as they are under current law, members of the

Generally Assembly would only be permitted to access the existing FPR for foreclosure sales under the bill, necessitating software upgrades to establish a separate level of access.

Any upgrades to FPR software as a result of the bill would be in addition to those already planned. DLLR further advises that it initiated separate upgrades to the online registry database and website in 2016 in order to make the system more user-friendly. The changes to be made to the system include (1) redesigning the user interfaces so users outside of DLLR can create accounts faster and submit or access data in an appropriate format; (2) upgrading analytics components to produce more accurate reports and analysis; (3) adding features that allow for more efficient communication between DLLR staff and other users of FPR; and (4) updating the appearance of the registry to mirror the new template for State websites. DLLR advises that the development phase of the project began in June of 2017, and that the project is scheduled to be complete by January 1, 2019.

Otherwise, the bill's requirement to provide information from FPR to a member of a local legislative body or the General Assembly can likely be handled with existing resources. However, should the number or complexity of additional requests generated under the bill be significant, special fund expenditures may increase to hire additional staff to handle and manage requests.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Montgomery County; City of Frederick; Maryland Association of Counties; Maryland Municipal League; Department of Legislative Services

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

Analysis by: Nathan W. McCurdy

Direct Inquiries to:

(410) 946-5510

(301) 970-5510