

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 424

(Delegate Rosenberg, *et al.*)

Environmental Matters

Judicial Proceedings

Baltimore City - Condemnation - Immediate Possession and Title - Distressed
Property

This bill adds distressed property to the types of properties for which the Mayor and City Council of Baltimore City may file for condemnation and immediate taking, and grants exclusive original civil jurisdiction to the District Court for those proceedings where the estimated value of the property does not exceed \$25,000.

Fiscal Summary

State Effect: It is expected that any additional caseload generated by the bill could be handled by the District Court with existing budgeted resources.

Local Effect: Baltimore City expenditures would increase for costs associated with property acquisition and relocation assistance. In addition, Baltimore City revenues would increase due to the sale of properties taken by condemnation to developers or investors. It is expected that the bill would result in a net revenue gain for Baltimore City.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The bill authorizes Baltimore City to file a petition in the District Court for condemnation and immediate possession of distressed property. Baltimore City would be required to deposit with the District Court the amount of money estimated by a licensed appraiser to be the fair market value of the distressed property.

If the court decides that the value of distressed property is less than the sum of the public charges, city and State taxes, and other assessments, the city is entitled to a judgment against the owner of the distressed property for the difference. If the court vests title to the distressed property in the city, the city may name as titleholder a public or quasi-public agency to hold title.

The bill defines a distressed property as a parcel of real property that is subject to a tax lien or liens with a lien or liens to value ratio equal to or greater than 15% as determined by the Baltimore City Department of Housing and Community Development and has deteriorated to the extent that the dwelling unit or other structure constitutes a serious and growing menace to the public health, safety, and welfare and is subject to an expired violation notice and order to correct the deteriorated conditions or is subject to a lien or liens in an amount greater than \$1,000 for work done by the Baltimore City Department of Housing and Community Development.

The bill requires Baltimore City to offer relocation assistance and payments to owner-occupants or tenants displaced by the city's taking of distressed property, regardless of whether the displacement involves the use of federal assistance, to the extent that the owner-occupant or tenant would qualify for relocation assistance and payments under the federal Uniform Relocation Assistance and Property Acquisition Policies Act of 1970.

The bill also requires a court to dismiss Baltimore City's petition for condemnation and immediate taking if an owner of distressed property that is subject to a quick-take proceeding satisfies the liens against the property before a court vests title to the distressed property to the city.

Current Law: The Mayor and the City Council of Baltimore may file a petition in the District Court, for the purpose of alleviating nuisance and blight, that seeks the condemnation of abandoned property and the immediate possession of, or the immediate possession of and title to, the abandoned property. The District Court of Maryland has exclusive original civil jurisdiction in these cases where the estimated value of the property does not exceed \$25,000. Baltimore City is required to provide relocation assistance to owner-occupants or tenants displaced by the taking of abandoned property, regardless of whether the displacement involves the use of federal assistance, to the extent that the owner-occupant or tenant would qualify for relocation assistance and payments under the federal Uniform Relocation Assistance and Property Acquisition Policies Act of 1970.

Background: The federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 requires a public agency acquiring real property with federal funds for public purposes to assist displaced owner-occupants and tenants in finding new places to live.

Local Fiscal Effect: Baltimore City advises that the city has very few properties that would be classified as distressed property.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Baltimore City, Department of Legislative Services

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