

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1350 (Delegate Ramirez, *et al.*)
Environmental Matters

**Real Property - Residential Property - Local Government Abandoned Property
Registry**

This bill authorizes a county or municipal corporation to enact a local law that establishes an abandoned property registry and requires a creditor owner of abandoned property to register the property, pay a specified registration fee, and be responsible for the security and maintenance of the property. The local law must designate the failure to maintain and secure a property as a misdemeanor, subject to a fine and a failure to register abandoned property as a violation subject to a civil penalty.

Fiscal Summary

State Effect: The bill does not directly affect State finances or operations.

Local Effect: Potential increase in revenues and expenditures to the extent a county or municipal corporation establishes an abandoned property registry and charges creditor owner fees or imposes fines or penalties as authorized under the bill.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The bill defines “abandoned property” as unoccupied residential property that is under a current notice of default, notice of trustee’s sale, or pending tax lien sale; has been the subject of a foreclosure sale where the title was retained by the beneficiary of a deed of trust involved in the foreclosure; or is transferred under a deed in lieu of a foreclosure sale. If a county or municipal corporation enacts a local law that establishes an abandoned property registry, the registration of a property must include:

- identification of the property by street address and tax account number;
- the name of the debtor owner and the date the debtor owner moved from the property;
- the name of the creditor owner and the date possession of the property was obtained; and
- the name, address, and telephone number of an individual authorized to act on behalf of the creditor owner who maintains an office in the State and is authorized in writing to accept notices of violations of enacted local laws.

The enacted local law must require the creditor owner to pay an annual registration fee for each abandoned property, maintain a property's aesthetic appearance, and secure a property from unauthorized individuals. Registration fees collected by a county or municipal corporation must be deposited into a special fund to be used only to maintain abandoned properties in accordance with local law. The enacted local law must require a creditor owner who sells or transfers the abandoned property's title to a person who intends to occupy the property, or who obtains a rental license with the intention to rent the property, to notify the county or municipal corporation and provide documentation that the property has been transferred. Upon receipt and notification of the transfer and occupied status of the property, the property will be deleted from the registry.

Current Law/Background: State law does not require the registration of abandoned residential properties. In Baltimore City, "abandoned property" means:

- an unoccupied structure or vacant lot on which taxes are in arrears for at least two years;
- a building (i) that is unoccupied by owner or tenant, (ii) unfit for habitation, (iii) has deteriorated to a structurally unsound condition or the cost of rehabbing significantly exceeds market value, and (iv) regarding which the owner has been issued a notice of violation requiring the owner to rehabilitate the building to minimum code standards or demolish the building for health and safety reasons;
- a vacant lot on which a building has been demolished; or
- any building in a block of row houses where the block as a whole contains 70% abandoned property and is determined by the city to require a whole-block remedy, provided any tenant has been offered assistance required under law.

"Distressed property" includes real property subject to a tax lien or liens, with a lien to value ratio equal to or greater than 15%, as determined by the Baltimore City Department of Housing and Community Development, and that contains a structure that has deteriorated to the extent it constitutes a serious and growing menace to the public health, safety, and welfare and is subject to an expired code violation notice and order to correct

the deteriorated conditions. Distressed property also includes real property with a lien to value ratio that is at least 15% and the property is subject to a lien of at least \$1,000 for work completed by the Baltimore City Department of Housing and Community Development.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; towns of Bel Air and Leonardtown; City of Salisbury; Cecil, Carroll, and Montgomery counties; Judiciary (Administrative Office of the Courts), Department of Legislative Services

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ncs/kdm

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