

HOUSE BILL 1286

N1

6lr2744

By: **Delegates Long, Cluster, Grammer, Lam, Metzgar, and O'Donnell**
Introduced and read first time: February 12, 2016
Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Residential Property – Foreclosed Property Registry – Notification to Local**
3 **Jurisdictions**

4 FOR the purpose of altering the information that is required to be contained in the initial
5 registration of a residential property in the Foreclosed Property Registry in the
6 Department of Labor, Licensing, and Regulation; requiring the Department to
7 promptly send an electronic copy of the initial registration of a residential property
8 to certain local officials under certain circumstances; and generally relating to the
9 Foreclosed Property Registry.

10 BY repealing and reenacting, with amendments,
11 Article – Real Property
12 Section 14–126.1
13 Annotated Code of Maryland
14 (2015 Replacement Volume)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Real Property**

18 14–126.1.

19 (a) (1) In this section the following words have the meanings indicated.

20 (2) “Department” means the Department of Labor, Licensing, and
21 Regulation.

22 (3) “Foreclosed Property Registry” means the Foreclosed Property Registry
23 established by the Department under subsection (b) of this section.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) “Foreclosure purchaser” means the person identified as the purchaser
2 on the report of sale required by Maryland Rule 14–305 for a foreclosure sale of residential
3 property.

4 (5) “Fund” means the Foreclosed Property Registry Fund established by
5 the Department under subsection (i) of this section.

6 (6) “Local jurisdiction” means:

7 (i) A county; or

8 (ii) A municipal corporation.

9 (7) “Residential property” means real property improved by four or fewer
10 dwelling units that are designed principally and are intended for human habitation.

11 (b) The Department shall establish and maintain an Internet–based Foreclosed
12 Property Registry for information relating to foreclosure sales of residential property.

13 (c) At the time of a foreclosure sale of residential property, the person responsible
14 for conducting the foreclosure shall obtain from the foreclosure purchaser a written
15 acknowledgment of the requirements of this section.

16 (d) (1) Within 30 days after a foreclosure sale of residential property, a
17 foreclosure purchaser shall submit an initial registration to the Foreclosed Property
18 Registry.

19 (2) The initial registration shall:

20 (i) Be in the form the Department requires; and

21 (ii) Contain the following information:

22 1. The name, telephone number, and address of the
23 foreclosure purchaser;

24 2. The street address of the property that is the subject of the
25 foreclosure sale **AND THE COUNTY IN WHICH THE PROPERTY IS LOCATED;**

26 3. The date of the foreclosure sale;

27 4. Whether the property is a single–family or multifamily
28 property;

29 5. The name and address of the person, including a
30 substitute purchaser, who is authorized to accept legal service for the foreclosure
31 purchaser;

1 6. To the best of the foreclosure purchaser’s knowledge at the
2 time of registration:

3 A. Whether the residential property is vacant; and

4 B. The name, telephone number, and street address of the
5 person who is responsible for the maintenance of the property; and

6 7. Whether the foreclosure purchaser has possession of the
7 property.

8 (3) Within 30 days after a deed transferring title to the residential property
9 has been recorded, the foreclosure purchaser shall submit a final registration to the
10 Foreclosed Property Registry.

11 (4) The final registration shall:

12 (i) Be in the form the Department requires; and

13 (ii) Contain the following information as of the date of final
14 registration:

15 1. The name, telephone number, and address of the owner on
16 the deed;

17 2. The date of the ratification of the sale; and

18 3. The date the deed was recorded.

19 (e) (1) The filing fees for registering a residential property are:

20 (i) \$50 for an initial registration filed within the time period
21 required under subsection (d)(1) of this section; and

22 (ii) \$100 for an initial registration filed after the time period
23 required under subsection (d)(1) of this section.

24 (2) There is no fee for a final registration.

25 (3) A filing fee paid under paragraph (1) of this subsection is
26 nonrefundable.

27 (4) A local jurisdiction may enact a local law that imposes a civil penalty
28 for failure to register under this section in an amount not exceeding \$1,000.

1 (f) (1) Subject to paragraph (2) of this subsection, a local jurisdiction that, in
 2 accordance with any applicable building code or local ordinance, abates a nuisance on a
 3 residential property registered under this section or takes action to maintain a residential
 4 property registered under this section may collect the cost associated with the abatement
 5 or other action as a charge included on the residential property's property tax bill.

6 (2) (i) The cost associated with an abatement or other action taken
 7 under paragraph (1) of this subsection may not be included as a charge on the residential
 8 property's property tax bill unless the local jurisdiction provides advance written notice in
 9 accordance with subparagraph (ii) of this paragraph to:

10 1. The person identified in the registry who is authorized to
 11 accept legal service for the foreclosure purchaser; and

12 2. The person identified in the registry who is responsible for
 13 the maintenance of the property.

14 (ii) The notice described in subparagraph (i) of this paragraph shall:

15 1. Describe the intended abatement or other action the local
 16 jurisdiction intends to take; and

17 2. Be provided:

18 A. In accordance with the notice provisions of the applicable
 19 building code or local ordinance; or

20 B. If the applicable building code or local ordinance does not
 21 provide for notice, at least 30 days before the local jurisdiction abates the nuisance or takes
 22 action to maintain the property.

23 (g) (1) The Foreclosed Property Registry:

24 (i) Is not a public record as defined by § 4-101 of the General
 25 Provisions Article; and

26 (ii) Is not subject to Title 4 of the General Provisions Article.

27 (2) (I) The Department may authorize access to the Foreclosed Property
 28 Registry only to local jurisdictions, their agencies, and representatives and State agencies.

29 (II) **AFTER RECEIVING THE INITIAL REGISTRATION OF A**
 30 **RESIDENTIAL PROPERTY, THE DEPARTMENT SHALL PROMPTLY SEND AN**
 31 **ELECTRONIC COPY OF THE INITIAL REGISTRATION TO THE APPROPRIATE OFFICIAL**
 32 **OF THE COUNTY AND, ON REQUEST, TO THE APPROPRIATE OFFICIAL OF THE**
 33 **MUNICIPAL CORPORATION IN WHICH THE RESIDENTIAL PROPERTY IS LOCATED.**

1 (3) Notwithstanding paragraphs (1) and (2) of this subsection, the
2 Department or a local jurisdiction may provide information for a specific property in the
3 Foreclosed Property Registry to:

4 (i) A person who owns property on the same block; or

5 (ii) A homeowners association or condominium in which the property
6 is located.

7 (h) Revenue collected from the filing fees required under subsection (e)(1) of this
8 section shall be distributed to the Fund.

9 (i) (1) There is a Foreclosed Property Registry Fund in the Department.

10 (2) The purpose of the Fund is to support the development, administration,
11 and maintenance of the Foreclosed Property Registry established under this section.

12 (3) The Department shall administer the Fund.

13 (4) (i) The Fund is a special, nonlapsing fund that is not subject to §
14 7-302 of the State Finance and Procurement Article.

15 (ii) The State Treasurer shall hold the Fund separately, and the
16 Comptroller shall account for the Fund.

17 (5) The Fund consists of:

18 (i) Revenue distributed to the Fund under subsection (h) of this
19 section;

20 (ii) Investment earnings of the Fund;

21 (iii) Money appropriated in the State budget to the Fund; and

22 (iv) Any other money from any other source accepted for the benefit
23 of the Fund.

24 (6) (i) The State Treasurer shall invest the money of the Fund in the
25 same manner as other State money may be invested.

26 (ii) Any investment earnings of the Fund shall be paid into the Fund.

27 (j) (1) Except as provided in paragraph (2) of this subsection, only the State
28 may enact a law requiring a notice to be filed with a unit of government to register
29 residential properties that are subject to foreclosure.

1 (2) This subsection does not restrict or otherwise affect the ability of a unit
2 of government to require a registration or notice to be filed for a purpose other than one
3 relating to foreclosure, even if a property to be identified in the registration or notice is
4 subject to foreclosure.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2016.