

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1475 (Delegates McMillan and Busch)

Environment and Transportation and
Ways and Means

**Municipalities - Vacant and Blighted Buildings - Registration, Remediation, and
Taxation**

This bill authorizes a municipality to establish and maintain (1) a registry of vacant and blighted buildings and (2) a special remediation fund to administer registration, inspection, and remediation programs for vacant and blighted buildings. In addition, municipalities are authorized to establish a class of real property for vacant and blighted buildings and set a special tax rate for that class of property.

Fiscal Summary

State Effect: None.

Local Effect: Expenditures for municipalities that use the authority under the bill may increase to reflect additional personnel and administrative costs for establishing and maintaining a registry. Municipal revenues may increase due to the imposition of new fees, penalties, and higher property tax rates. The amount of any revenue increase will vary by municipality and will depend on the number of vacant and blighted buildings, registration fee, fines imposed, and property tax rates.

Small Business Effect: Minimal.

Analysis

Current Law: The concept of “nuisance” originates under common law and is something that causes offense, annoyance, trouble, or injury. A private nuisance obstructs the rights of a specific individual or group, while a public nuisance is an act or omission that obstructs, damages, or inconveniences the rights of the community.

Several types of nuisances are specifically addressed in State law, including:

- conditions that are dangerous to health or safety, including an inadequately protected swimming pool, an unprotected open ditch, an unsanitary outhouse, a foul pigpen, an improperly functioning sewage system, an unkempt junkyard or scrap metal processing facility, an excessive accumulation of trash or garbage, a dead animal, a contaminated or inadequately protected water supply, a rodent harborage, poor housekeeping that could endanger an individual's health, or any condition that may endanger health and may be transmitted by means including surface drainage and air currents (Title 20 of the Health-General Article);
- dwellings, buildings, vehicles, vessels, aircraft, or any other place(s) used by individuals to administer illegally controlled substances or where controlled dangerous substances or controlled substances or controlled paraphernalia are manufactured, distributed, dispensed, stored, or concealed illegally (Title 5 of the Criminal Law Article);
- conditions affecting public health and involving plumbing, drainage, offensive trades, water supplies, and disposal of any waste material (Title 10 of the Environment Article); and
- property that is used for prostitution or for the administration, manufacture, distribution, or storage of a controlled dangerous substance or related paraphernalia (Title 14 of the Real Property Article).

Depending on the nuisance, the department charged with abating the nuisance is authorized to enter onto private property to determine its existence.

Additionally, each county board of health is authorized to adopt and enforce rules and regulations on any nuisance or cause of disease in the county. If a county health officer investigates and finds a nuisance, the health officer is required to serve a written notice to the person who is causing the nuisance, ordering the person to abate the nuisance within a specified period of time.

A municipality may provide that violations of ordinances and resolutions authorized by this division are punishable as misdemeanors. A penalty for a violation of an ordinance or resolution that is declared to be a misdemeanor may not exceed imprisonment for six months or a fine of \$1,000 or both.

Unless State law classifies a violation as a criminal offense, a municipality may provide, by law, that a violation of a municipal ordinance is a municipal infraction. A municipal infraction is a civil offense. A municipality may classify as a municipal infraction a violation of an ordinance or regulation concerning zoning or land use; and littering in the municipality. A fine not exceeding \$1,000 may be imposed for each municipal infraction.

The fine is payable to the municipality by the person charged in the citation within 20 calendar days of service of the citation.

Section 6-303 of the Tax-Property Article authorizes municipalities to establish special property tax rates for any class of property that is subject to municipal property tax. Currently, only three municipalities have established a separate property class for municipal property tax purposes – Colmar Manor and North Brentwood in Prince George’s County and Pocomoke City in Worcester County. The two municipalities in Prince George’s County impose a separate property tax rate for commercial real property, while Pocomoke City imposes a separate property tax rate for nonowner occupied property.

Background: The City of Annapolis currently requires all foreclosed properties to be registered with the city. In addition, the Annapolis Department of Neighborhood and Environmental Programs keeps a record of what it considers to be blighted buildings, of which there are currently 21 in the city. These buildings are all residential properties.

The City of Hagerstown has had a Vacant Structures Code since 2006. The intent of the program was to ensure that vacant buildings were identified and their condition inspected as a means of protecting first responders who may need to access the buildings. Following inspection, buildings were required to be brought up to minimum standard for vacant structures. However, due to staffing shortages, the city was unable to fully administer the program.

In 2014, the Vacant Structures Program in Hagerstown was overhauled to adjust the inspection schedule, modify the licensing fee structure, and add requirements for compliance with certain Crime Prevention through Environmental Design principles on the exterior of the buildings. As of January 2016, the city had identified 887 structures for registration in this program. Billings have gone out as properties are identified. The City of Hagerstown reports that it has undertaken a number of exterior inspections on the registered properties and have begun interior inspections as safety allows.

The City of Laurel currently requires all mortgage companies to notify the city of any residential foreclosures within the city.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): City of Annapolis, City of Hagerstown, City of Laurel, Maryland Municipal League, State Department of Assessments and Taxation, Department of Legislative Services

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