

SENATE BILL 957

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7lr2658
CF HB 1168

By: ~~Senator Eckardt~~ Senators Eckardt, DeGrange, Ferguson, Madaleno, and McFadden

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation and Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2017

CHAPTER _____

1 AN ACT concerning

2 **Counties and Municipalities – Land Bank Authorities**

3 FOR the purpose of altering certain provisions of law concerning the authority of a
4 municipality to establish a land bank authority; making certain provisions of law
5 concerning the establishment of a land bank authority applicable to a municipality
6 or county; authorizing two or more local governments to enter into a certain
7 intergovernmental cooperation agreement; providing for the continued operation of
8 an authority under certain circumstances; establishing certain powers of an
9 authority; authorizing an authority to enforce a water and sewer lien under certain
10 circumstances; providing for the tax treatment of property sold by an authority to a
11 nonprofit organization under certain circumstances; exempting property held by an
12 authority from a certain requirement to sell; ~~authorizing the Mayor and City Council
13 of Baltimore City~~ a governing body of a county or other taxing authority to transfer
14 certain interest in property to an authority under certain circumstances; exempting
15 property held by an authority from certain taxes under certain circumstances;
16 altering and defining certain terms; making certain conforming changes; and
17 generally relating to land bank authorities.

18 BY renumbering

19 Article – Local Government

20 Section 5–401 through 5–431, respectively, and the subtitle “Subtitle 4.
21 Establishment of Land Bank Authorities by Municipalities”

22 to be Section 1–1401 through 1–1431, respectively, and the subtitle “Subtitle 14.
23 Establishment of Land Bank Authorities by Municipalities”

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2013 Volume and 2016 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Local Government
5 Section 1–1401, 1–1403, 1–1405, 1–1406, 1–1408, 1–1409, 1–1410, 1–1412, 1–1413,
6 1–1414, 1–1415, 1–1419, and 1–1426(a)(1) to be under the amended subtitle
7 “Subtitle 14. Establishment of Land Bank Authorities”
8 Annotated Code of Maryland
9 (2013 Volume and 2016 Supplement)
10 (As enacted by Section 1 of this Act)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 14–808(a), 14–824, 14–826, and 14–831
14 Annotated Code of Maryland
15 (2012 Replacement Volume and 2016 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That Section(s) 5–401 through 5–431, respectively, and the subtitle “Subtitle 4.
18 Establishment of Land Bank Authorities by Municipalities” of Article – Local Government
19 of the Annotated Code of Maryland be renumbered to be Section(s) 1–1401 through 1–1431,
20 respectively, and the subtitle “Subtitle 14. Establishment of Land Bank Authorities by
21 Municipalities”.

22 SECTION 2. ~~AND BE IT FURTHER ENACTED BY THE GENERAL ASSEMBLY~~
23 ~~OF MARYLAND~~, That the Laws of Maryland read as follows:

24 **Article – Local Government**

25 Subtitle 14. Establishment of Land Bank Authorities [by Municipalities].

26 1–1401.

27 (a) In this subtitle the following words have the meanings indicated.

28 (b) “Authority” means a nonprofit or quasi–governmental entity created by [a
29 municipality] **ONE OR MORE LOCAL GOVERNMENTS** under § [5–403] **1–1403** of this
30 subtitle.

31 (c) “Board” means the board of directors of an authority.

32 (d) (1) “Bond” means a bond issued by an authority under this subtitle.

33 (2) “Bond” includes a bond, a refunding bond, a note, and any other
34 obligation.

- 1 (e) "Cost" includes:
- 2 (1) the purchase price of property;
- 3 (2) the cost to acquire any right, title, or interest in property;
- 4 (3) the cost of any improvements made to property;
- 5 (4) the amount to be paid to discharge each obligation necessary or
6 desirable to vest title to any part of property in an authority or other owner;
- 7 (5) the cost of any property, right, easement, franchise, or permit
8 associated with a project;
- 9 (6) the cost of labor, machinery, and equipment necessary to implement a
10 project;
- 11 (7) financing charges;
- 12 (8) interest and reserves for principal and interest and for improvements;
- 13 (9) the cost of revenue and cost estimates, engineering and legal services,
14 plans, specifications, studies, surveys, and other expenses necessary or incident to
15 determining the feasibility or practicability of a project;
- 16 (10) administrative expenses; and
- 17 (11) other expenses as necessary or incident to:
- 18 (i) financing a project;
- 19 (ii) acquiring and improving a project;
- 20 (iii) placing a project in operation, including reasonable provisions for
21 working capital; and
- 22 (iv) operating and maintaining a project.
- 23 (f) **"LOCAL GOVERNMENT" MEANS A MUNICIPALITY OR A COUNTY.**
- 24 (G) (1) "Project" means any organized plan carried out by an authority in
25 relation to:
- 26 (i) acquiring and rehabilitating abandoned and dilapidated
27 properties; and

1 (ii) marketing and leasing [or], selling, **OR OTHERWISE**
 2 **TRANSFERRING** the rehabilitated properties.

3 (2) "Project" includes:

4 (i) acquiring land or an interest in land;

5 (ii) acquiring structures, equipment, and furnishings located on a
 6 property;

7 (iii) acquiring property that is functionally related and subordinate
 8 to a project; and

9 (iv) obtaining or contracting for any services necessary for the
 10 rehabilitation of a property.

11 **[(g)] (H)** (1) "Revenue" means the income, revenue, and other money an
 12 authority receives from or in connection with a project and all other income of an authority.

13 (2) "Revenue" includes grants, rentals, rates, fees, and charges.

14 **[(h)] (I)** "Tax sale property" means property or an interest in property sold by
 15 the tax collector of the county in accordance with Title 14, Subtitle 8, Part III of the Tax –
 16 Property Article.

17 **[(i)] (J)** (1) "Trust agreement" means an agreement entered into by an
 18 authority to secure a bond.

19 (2) "Trust agreement" includes a bond contract, bond resolution, or other
 20 contract with or for the benefit of a bondholder.

21 **(K) "WATER AND SEWER AUTHORITY" MEANS AN AUTHORITY ESTABLISHED**
 22 **UNDER TITLE 9, SUBTITLE 9 OF THE ENVIRONMENT ARTICLE.**

23 **(L) "WATER AND SEWER LIEN" MEANS A LIEN ESTABLISHED UNDER § 9-949**
 24 **OF THE ENVIRONMENT ARTICLE.**

25 1-1403.

26 (a) **(1)** By ordinance, the [legislative] **GOVERNING** body of a [municipality]
 27 **LOCAL GOVERNMENT** may establish a land bank authority in accordance with this
 28 subtitle.

29 **(2) TWO OR MORE LOCAL GOVERNMENTS MAY ELECT TO ENTER INTO**
 30 **AN INTERGOVERNMENTAL COOPERATION AGREEMENT TO CREATE A SINGLE LAND**

1 BANK TO ACT ON BEHALF OF THE LOCAL GOVERNMENTS, WHICH MAY INCLUDE ONE
2 OR MORE WATER AND SEWER AUTHORITIES.

3 (3) AN ORDINANCE ADOPTED UNDER THIS SECTION:

4 (I) IS ADMINISTRATIVE IN NATURE;

5 (II) IS NOT SUBJECT TO REFERENDUM; AND

6 (III) IN A CHARTER COUNTY THAT HAS A PUBLICLY ELECTED
7 COUNTY EXECUTIVE OR IN A MUNICIPALITY THAT HAS A PUBLICLY ELECTED CHIEF
8 EXECUTIVE OR MAYOR, IS SUBJECT TO APPROVAL BY THE COUNTY EXECUTIVE,
9 CHIEF EXECUTIVE, OR MAYOR.

10 (b) An ordinance adopted under subsection (a) of this section shall include
11 proposed articles of incorporation of an authority that state:

12 (1) the name of the authority, which shall be “Land Bank Authority of
13 (name of the incorporating [municipality] LOCAL GOVERNMENT)”;

14 (2) that the authority is formed under this subtitle;

15 (3) the names, addresses, and terms of office of the initial members of the
16 board;

17 (4) the address of the principal office of the authority;

18 (5) the purposes for which the authority is formed; and

19 (6) the powers of the authority, subject to the limitations of this subtitle.

20 (c) (1) The chief executive, COUNTY EXECUTIVE, OR MAYOR of the
21 incorporating [municipality] LOCAL GOVERNMENT, or any other official designated in the
22 ordinance establishing an authority, shall execute and file the articles of incorporation of
23 the authority for recordation with the State Department of Assessments and Taxation.

24 (2) When the State Department of Assessments and Taxation accepts the
25 articles of incorporation for recordation, the authority becomes a body politic and corporate
26 and an instrumentality of the incorporating [municipality] LOCAL GOVERNMENT.

27 (3) Acceptance of the articles of incorporation for recordation by the State
28 Department of Assessments and Taxation is conclusive evidence of the formation of the
29 authority.

1 (d) (1) By ordinance, the [legislative] GOVERNING body of the incorporating
2 [municipality] LOCAL GOVERNMENT may adopt an amendment to the articles of
3 incorporation of an authority.

4 (2) Articles of amendment may contain any provision that lawfully could
5 be contained in articles of incorporation at the time of the amendment.

6 (3) The articles of amendment shall be filed for recordation with the State
7 Department of Assessments and Taxation.

8 (4) The articles of amendment are effective as of the time the State
9 Department of Assessments and Taxation accepts the articles for recordation.

10 (5) Acceptance of the articles of amendment for recordation by the State
11 Department of Assessments and Taxation is conclusive evidence that the articles have been
12 lawfully and properly adopted.

13 (e) (1) Subject to this section and any limitations imposed by law on the
14 impairment of contracts, the incorporating [municipality] LOCAL GOVERNMENT, in its
15 sole discretion, by ordinance may:

16 (i) set or change the structure, organization, procedures, programs,
17 or activities of an authority; or

18 (ii) **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,**
19 terminate the authority.

20 **(2) IF ONE OR MORE LOCAL GOVERNMENTS ENGAGED IN AN**
21 **INTERGOVERNMENTAL COOPERATION AGREEMENT DECIDE NOT TO TERMINATE**
22 **THE AUTHORITY, THE AUTHORITY MAY CONTINUE TO OPERATE IF:**

23 **(I) THE NAME OF THE AUTHORITY IS REVISED TO REMOVE THE**
24 **LOCAL GOVERNMENT THAT HAS DECIDED TO TERMINATE ITS PARTICIPATION IN THE**
25 **AUTHORITY BY WITHDRAWAL;**

26 **(II) THE WITHDRAWING LOCAL GOVERNMENT DESIGNATES ALL**
27 **PROPERTY TO REMAIN WITH THE AUTHORITY EXCEPT THAT:**

28 **1. ON DEMAND OF A WITHDRAWING LOCAL**
29 **GOVERNMENT THAT IS A MUNICIPALITY, ALL PROPERTY LOCATED WHOLLY WITHIN**
30 **THE MUNICIPALITY SHALL BE TRANSFERRED TO THE MUNICIPALITY; AND**

31 **2. ON DEMAND OF A WITHDRAWING LOCAL**
32 **GOVERNMENT THAT IS A COUNTY, ALL PROPERTY LOCATED WHOLLY WITHIN THE**
33 **COUNTY AND OUTSIDE ANY MUNICIPALITY PARTICIPATING IN THE**

1 INTERGOVERNMENTAL COOPERATION AGREEMENT SHALL BE TRANSFERRED TO
2 THE COUNTY; AND

3 (III) ALL OBLIGATIONS OF THE AUTHORITY TO THE
4 WITHDRAWING LOCAL GOVERNMENT AND OF THE WITHDRAWING LOCAL
5 GOVERNMENT TO THE AUTHORITY ARE ASSUMED BY THE WITHDRAWING LOCAL
6 GOVERNMENT.

7 [(2)] (3) On termination of the authority:

8 (i) title to all property of the authority shall be transferred to and
9 shall vest in the incorporating [municipality] LOCAL GOVERNMENT; and

10 (ii) all obligations of the authority shall be transferred to and
11 assumed by the incorporating [municipality] LOCAL GOVERNMENT.

12 1-1405.

13 (a) Except as limited by the authority's articles of incorporation, an authority has
14 all the powers specified in this subtitle.

15 (b) An authority may:

16 (1) adopt, AMEND, AND REPEAL bylaws for the conduct of business of the
17 authority;

18 (2) sue and be sued;

19 (3) maintain an office at a place the authority designates;

20 (4) borrow money;

21 (5) issue bonds and other obligations for any corporate purpose in
22 accordance with this subtitle or an ordinance adopted under this subtitle;

23 (6) invest money of the authority in instruments, obligations, securities, or
24 property;

25 (7) enter into contracts and execute the instruments or agreements
26 necessary or convenient to carry out this subtitle or an ordinance adopted under this
27 subtitle to accomplish the purposes of the authority;

28 (8) solicit and accept gifts, grants, loans, or other assistance in any form
29 from any public or private source, subject to this subtitle or any ordinance adopted under
30 this subtitle;

1 (9) participate in a program of the federal government, the State, a political
2 subdivision of the State, or an intergovernmental entity created under State law;

3 (10) contract for goods and services;

4 (11) study, develop, and prepare reports or plans to assist in the authority's
5 exercise of powers and to monitor and evaluate the authority's progress;

6 (12) contract with public or private entities for services necessary to manage
7 and operate the authority;

8 (13) provide acquisition, management, and sale services to a [municipality]
9 **LOCAL GOVERNMENT** for property owned by the [municipality] **LOCAL GOVERNMENT**;

10 (14) create, own, control, or be a member of a corporation, limited liability
11 company, partnership, or other person, whether operated for profit or not for profit, for the
12 purposes of developing property in order to maximize marketability;

13 (15) exercise a power usually possessed by a private corporation in
14 performing similar functions, unless to do so would conflict with State law; [and]

15 **(16) INSURE AGAINST LOSSES IN CONNECTION WITH THE REAL**
16 **PROPERTY, ASSETS, OR ACTIVITY OF THE AUTHORITY;**

17 **(17) DESIGN, DEVELOP, CONSTRUCT, DEMOLISH, REHABILITATE,**
18 **RENOVATE, RELOCATE, AND OTHERWISE IMPROVE REAL PROPERTY OR INTERESTS**
19 **IN REAL PROPERTY;**

20 **(18) RAISE REVENUE BY ANY LEGAL MEANS REQUIRED TO MAKE THE**
21 **OPERATIONS AND ACTIVITIES OF THE AUTHORITY SELF-SUSTAINING; AND**

22 **[(16)] (19)** do all things necessary or convenient to carry out the powers
23 expressly granted by this subtitle or by an ordinance adopted under this subtitle.

24 (c) An authority may delegate to a member or officer a power granted to the
25 authority by this subtitle, including the power to execute a bond, obligation, certificate,
26 deed, lease, mortgage agreement, or other document or instrument.

27 1-1406.

28 (a) An authority may:

29 (1) acquire real property or rights or interests in real property, directly or
30 through a person or governmental entity, by gift, devise, transfer, exchange, foreclosure,
31 purchase, or otherwise on terms and conditions and in a manner the authority considers
32 proper;

1 (2) own property in the authority's name, including tax foreclosed property
2 and property without clear title;

3 (3) sell, lease as lessor, transfer, and dispose of the authority's interest in
4 property;

5 (4) procure insurance against loss in connection with the property, assets,
6 or activities of the authority; and

7 (5) execute deeds, mortgages, contracts, leases, purchases, or other
8 agreements regarding the property of the authority.

9 (b) Property purchased, owned, or sold under this section may not be located
10 outside the [municipality] JURISDICTION OF THE LOCAL GOVERNMENT in which the
11 authority is located.

12 (c) **(1) AN AUTHORITY MAY ~~CLEAR~~ QUIET TITLE OR FORECLOSE ON A**
13 **PROPERTY IN WHICH IT HOLDS AN INTEREST THAT IS NOT FEE SIMPLE TITLE BY:**

14 ~~(1)~~ **(I) CONDUCTING AN EXAMINATION OF TITLE TO DETERMINE**
15 **THE IDENTITY OF ANY PERSON POSSESSING A CLAIM OR INTEREST IN THE**
16 **PROPERTY; AND**

17 ~~(2) SERVING A COMPLAINT TO QUIET TITLE ON ANY PERSON~~
18 ~~IDENTIFIED IN ITEM (1) OF THIS SUBSECTION BY:~~

19 ~~(I) REGISTERED OR CERTIFIED MAIL TO AN ADDRESS~~
20 ~~DETERMINED BY THE EXAMINATION OF PUBLIC RECORDS;~~

21 ~~(II) POSTING A COPY OF THE NOTICE ON THE PROPERTY;~~

22 ~~(III) PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION~~
23 ~~IN THE LOCAL GOVERNMENT JURISDICTION IN WHICH THE PROPERTY IS LOCATED;~~

24 ~~(IV) IN CASES OF OCCUPIED PROPERTY, REGISTERED OR~~
25 ~~CERTIFIED MAIL ADDRESSED TO "OCCUPANT" AT THE ADDRESS; AND~~

26 ~~(V) ANY OTHER METHOD ORDERED BY A COURT OF COMPETENT~~
27 ~~JURISDICTION; AND~~

28 ~~(3) FILING AN AFFIDAVIT IDENTIFYING ALL PARTIES POTENTIALLY~~
29 ~~HAVING AN INTEREST IN THE PROPERTY AND THE FORM OF NOTICE PROVIDED.~~

~~(D) (1) ON RECEIPT OF A COMPLAINT AUTHORIZED BY SUBSECTION (C) OF THIS SECTION, THE COURT SHALL SCHEDULE A HEARING WITHIN 90 DAYS.~~

~~(2) THE COURT SHALL ISSUE A FINAL JUDGMENT WITHIN 120 DAYS OF THE FILING OF A COMPLAINT UNDER THIS SECTION IN ANY MATTER FOR WHICH AN ANSWER WAS NOT FILED.~~

(II) FILING A COMPLAINT TO QUIET TITLE IN ACCORDANCE WITH TITLE 14, SUBTITLE 6 OF THE REAL PROPERTY ARTICLE.

~~(E) (2) AN AUTHORITY MAY JOIN IN A SINGLE COMPLAINT TO QUIET TITLE OR FORECLOSE ON ONE OR MORE PARCELS OF REAL PROPERTY.~~

1-1408.

The court may appoint an authority to serve as a receiver in a receivership proceeding filed by a [municipality] LOCAL GOVERNMENT.

1-1409.

(a) An authority shall:

(1) adopt a code of ethics for the authority's directors, officers, and employees;

(2) establish policies and procedures requiring:

(i) the disclosure of relationships that may create a conflict of interest; and

(ii) any member of the board with a direct or indirect interest in a matter before the authority to disclose the member's interest to the board before the board takes any action on the matter; and

(3) comply with the Open Meetings Act.

(b) Except as otherwise provided in this subtitle or the ordinance establishing an authority, the procedures of the incorporating [municipality] LOCAL GOVERNMENT control any matter relating to the internal administration of an authority.

1-1410.

An authority may have the same immunities as [a municipality] THE LOCAL GOVERNMENT THAT CREATES THE AUTHORITY UNDER § 1-1403 OF THIS SUBTITLE.

1-1412.

1 (a) Property held by an authority shall be inventoried and classified according to
2 title status and suitability for use.

3 (b) A clerk of the court may not charge a fee to record a document evidencing the
4 transfer under this subtitle of property to the authority by the State or a [municipality]
5 **LOCAL GOVERNMENT.**

6 1–1413.

7 (a) **(1)** After an unsuccessful attempt by the [municipality] **LOCAL**
8 **GOVERNMENT** to collect outstanding liens at tax sale and subject to the approval of the
9 **WATER AND SEWER AUTHORITY, GOVERNING BODY, OR** tax collector of the jurisdiction
10 where the property is located, an authority may accept from a person with an interest in a
11 parcel of **WATER AND SEWER LIEN PROPERTY**, tax delinquent property, or tax sale
12 property a deed or assignment conveying that person’s interest in the property instead of:

13 **[(1)] (I)** the foreclosure or sale of the property for delinquent taxes,
14 penalties, and interest, as defined by § 14–801(d) of the Tax – Property Article; **[or]**

15 **[(2)] (II)** delinquent–specific taxes imposed by a local taxing jurisdiction;
16 **OR**

17 **(III) DELINQUENT WATER AND SEWER LIENS IMPOSED BY A**
18 **WATER AND SEWER AUTHORITY.**

19 **(2) (I) AFTER AN UNSUCCESSFUL ATTEMPT BY THE LOCAL**
20 **GOVERNMENT OR WATER AND SEWER AUTHORITY TO COLLECT OUTSTANDING LIENS**
21 **THAT ARE DELINQUENT AND AT THE DISCRETION OF THE GOVERNING BODY OF THE**
22 **JURISDICTION, THE WATER AND SEWER AUTHORITY, OR THE TAX COLLECTOR**
23 **WHERE THE PROPERTY IS LOCATED, AN AUTHORITY MAY ACCEPT FROM THE LOCAL**
24 **GOVERNMENT OR WATER AND SEWER AUTHORITY WITH AN INTEREST IN A PARCEL**
25 **OF DELINQUENT WATER AND SEWER LIEN PROPERTY, TAX DELINQUENT PROPERTY,**
26 **OR TAX SALE PROPERTY ITS INTEREST IN THE WATER AND SEWER LIENS OR TAX**
27 **LIENS IN THE PROPERTY.**

28 **(II) THE AUTHORITY MAY:**

29 **1. COLLECT ON LIENS OR TAXES COLLECTED UNDER**
30 **SUBPARAGRAPH (I) OF THIS PARAGRAPH AND RETAIN ALL PAYMENT OF TAXES,**
31 **LIENS, PENALTIES, OR ANY INTEREST ON THE LIENS OR TAXES; OR**

32 **2. FORECLOSE ON, ENTER INTO A DEED IN LIEU OF**
33 **FORECLOSURE, OR SELL THE PROPERTY FOR THE LIENS OR TAXES AND RETAIN ALL**
34 **PAYMENT OF TAXES, PENALTIES, OR INTEREST ON THE LIENS OR TAXES AND THE**

1 COSTS OF SELLING THE PROPERTY AND, IF ANY OTHER NET PROCEEDS REMAIN
 2 FROM THE SALE, RETURN ANY NET PROCEEDS TO THE TAX COLLECTOR FOR
 3 DISTRIBUTION ON A PRO RATA BASIS TO THE APPROPRIATE TAXING UNITS AND
 4 WATER AND SEWER AUTHORITIES IN A RATIO EQUAL TO THE DELINQUENT TAXES OR
 5 WATER AND SEWER LIENS, PENALTIES, AND INTEREST OWED ON THE PROPERTY.

6 (b) Conveyance of property by deed instead of foreclosure **OR TRANSFER OF A**
 7 **LIEN OR TAX ON PROPERTY** under this section may not affect or impair any other lien
 8 against the property or any existing recorded or unrecorded interest in the property,
 9 including any:

- 10 (1) easement or right-of-way;
- 11 (2) future installment of a special assessment;
- 12 (3) lien recorded by the State;
- 13 (4) private deed restriction;
- 14 (5) security interest or mortgage; [or]
- 15 (6) tax lien of another taxing jurisdiction that does not consent to a release
 16 of its lien; **OR**

17 **(7) WATER AND SEWER LIEN OF A WATER AND SEWER AUTHORITY**
 18 **THAT DOES NOT CONSENT TO A RELEASE OF ITS LIEN.**

19 (c) A tax lien **OR WATER AND SEWER LIEN** against property held by or under
 20 the control of an authority may be released or abated at any time by:

- 21 (1) a [county or municipality] **LOCAL GOVERNMENT** with respect to a lien
 22 held by the [county or municipality] **LOCAL GOVERNMENT**;
- 23 (2) the governing body of any taxing jurisdiction other than the State,
 24 county, or municipality with respect to a lien held by the taxing jurisdiction;
- 25 (3) a public water or sewer authority with respect to a tax lien, **WATER**
 26 **AND SEWER LIEN**, or right to collect a tax held by the public water or sewer authority; or
- 27 (4) the Comptroller with respect to a State tax lien.

28 1-1414.

29 (a) [Money] **EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND (D) OF THIS**
 30 **SECTION, MONEY** received by an authority as payment of taxes, penalties, **WATER AND**

1 SEWER LIENS, or interest, or from the redemption or sale of property subject to a tax lien
 2 of any taxing unit, shall be returned to the tax collector in the jurisdiction where the
 3 property is located for distribution on a pro rata basis to the appropriate taxing units in an
 4 amount equal to delinquent taxes, penalties, and interest owed on the property.

5 (b) Proceeds received by an authority may be retained by the authority for the
 6 purposes of this subtitle, unless otherwise designated by:

7 (1) an agreement of the authority;

8 (2) the provisions of a deed;

9 (3) this subtitle; or

10 (4) any other law.

11 (C) MONEY RECEIVED BY AN AUTHORITY AS PAYMENT OF WATER AND
 12 SEWER LIENS, TAXES, PENALTIES, OR INTEREST, OR FROM THE REDEMPTION OR
 13 SALE OF PROPERTY SUBJECT TO A TAX LIEN OF ANY TAXING UNIT MAY BE RETAINED
 14 BY AN AUTHORITY UNDER A WRITTEN AGREEMENT WITH A LOCAL GOVERNMENT OR
 15 A LAW ENACTED BY THE LEGISLATIVE BODY OF A LOCAL GOVERNMENT.

16 (D) (1) TO FACILITATE A TRANSFER OF REAL PROPERTY TO AN
 17 AUTHORITY, THE GOVERNING BODY FOR THE JURISDICTION WHERE THE REAL
 18 PROPERTY IS LOCATED MAY RELEASE ANY LIENS FOR UNPAID REAL PROPERTY
 19 TAXES OR OTHER CHARGES AND ASSESSMENTS IMPOSED BY THE GOVERNING BODY
 20 TO WHICH THE PROPERTY WOULD BE OTHERWISE SUBJECT, IF:

21 (I) 1. THE TOTAL AMOUNT OF LIENS FOR UNPAID REAL
 22 PROPERTY TAXES, CHARGES, AND ASSESSMENTS IMPOSED WITH RESPECT TO THE
 23 PROPERTY EXCEEDS THE LESSER OF THE TOTAL VALUE OF THE LAND AND ANY
 24 IMPROVEMENT ON THE LAND AS LAST DETERMINED BY THE TAX ASSESSOR OF THE
 25 GOVERNING BODY OR AS DETERMINED BY AN APPRAISAL REPORT PREPARED, NOT
 26 MORE THAN 6 MONTHS BEFORE THE REQUEST FOR THE RELEASE OF THE LIEN, BY A
 27 REAL ESTATE APPRAISER WHO IS LICENSED UNDER TITLE 16 OF THE BUSINESS
 28 OCCUPATIONS AND PROFESSIONS ARTICLE; OR

29 ~~2. THE TAX COLLECTOR FOR THE LOCAL GOVERNMENT~~
 30 ~~HAS UNSUCCESSFULLY ATTEMPTED TO SELL THE REAL PROPERTY IN A TAX SALE~~
 31 ~~UNDER TITLE 14, SUBTITLE 8 OF THE TAX – PROPERTY ARTICLE; OR~~

32 ~~3. 2. THE TAX COLLECTOR FOR THE LOCAL GOVERNMENT~~
 33 ~~HAS SOLD THE REAL PROPERTY AT A TAX SALE UNDER TITLE 14, SUBTITLE 8 OF THE~~
 34 ~~TAX – PROPERTY ARTICLE, BUT THE PROPERTY HAS NOT BEEN REDEEMED OR THE~~
 35 ~~TAX SALE CERTIFICATE HAS BECOME VOID;~~

1 **(II) THE CODE ENFORCEMENT OFFICE, HOUSING DEPARTMENT,**
 2 **OR EQUIVALENT DEPARTMENT OR AGENCY OF THE LOCAL GOVERNMENT OF THE**
 3 **JURISDICTION WHERE THE TAX LIEN IS HELD CERTIFIES THAT THE PROPERTY:**

4 **1. IS A VACANT LOT; OR**

5 **2. HAS A BUILDING OR STRUCTURE THAT IS:**

6 **A. VACANT; AND**

7 **B. UNSAFE OR UNFIT FOR HABITATION; AND**

8 **(III) THE AUTHORITY FINDS THAT A TRANSFER UNDER THIS**
 9 **SECTION IS NECESSARY:**

10 **1. TO ELIMINATE A BLIGHTING INFLUENCE; AND**

11 **2. TO PREVENT THE TAX ABANDONMENT OF A**
 12 **PROPERTY.**

13 **(2) THE RELEASE OF A LIEN FOR REAL PROPERTY TAXES, CHARGES,**
 14 **OR ASSESSMENTS AS AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION**
 15 **DOES NOT ABATE THE TRANSFEROR'S LIABILITY FOR THE REMAINING AMOUNT OF**
 16 **THE TAX DEBT.**

17 **(3) THE GOVERNING BODY OF A JURISDICTION MAY SET ADDITIONAL**
 18 **STANDARDS AND REQUIREMENTS FOR APPROVAL OF THE RELEASE OF LIENS UNDER**
 19 **THIS SECTION.**

20 1-1415.

21 (a) An authority is exempt from any State or local tax or assessment on the
 22 authority's properties or activities or on any revenue from the properties or activities.

23 (b) **[Property] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION,**
 24 **PROPERTY** that an authority sells or leases to a private entity is subject to State and local
 25 property taxes from the time of the sale or lease.

26 (c) The principal of and interest on bonds, the transfer of bonds, and any income
 27 derived from the bonds, including profits made on their sale or transfer, are exempt from
 28 all State and local taxes.

1 (D) SALE OR LEASE TO A NONPROFIT ORGANIZATION, AS DEFINED IN §
 2 1-101 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE, IS EXEMPT
 3 FROM STATE AND LOCAL PROPERTY TAXES FROM THE TIME OF SALE OR LEASE, IF:

4 (1) THE NONPROFIT ORGANIZATION HAS ENTERED INTO AN
 5 AGREEMENT WITH AN AUTHORITY TO REDEVELOP THE PROPERTY; AND

6 (2) THE AGREEMENT IS IN FORCE AND EFFECT AND NOT DEFAULTED
 7 ON WITHIN THE APPLICATION PERIOD.

8 1-1419.

9 An authority shall report annually on the activities of the authority to the
 10 [municipality] LOCAL GOVERNMENT where the authority is located and, in accordance
 11 with § 2-1246 of the State Government Article, the General Assembly.

12 1-1426.

13 (a) (1) any pledge of revenues and other money under § [5-420(i)] 1-1420(I)
 14 of this subtitle is valid and binding from the time the pledge is made.

15 Article – Tax – Property

16 14-808.

17 (a) [The] EXCEPT FOR PROPERTY THAT HAS BEEN TRANSFERRED BY A
 18 MUNICIPALITY OR COUNTY TO A LAND BANK AUTHORITY ESTABLISHED UNDER §
 19 1-1403 OF THE LOCAL GOVERNMENT ARTICLE, THE collector shall proceed to sell and
 20 shall sell under this subtitle, at the time required by local law but in no case, except in
 21 Baltimore City, later than 2 years from the date the tax is in arrears, all property in the
 22 county in which the collector is elected or appointed on which the tax is in arrears. The
 23 collector is required to sell, but failure of the collector to sell within the 2-year period does
 24 not affect the validity or collectability of any tax, or the validity of any sale thereafter made.

25 14-824.

26 (a) Except as provided in subsection (b) of this section, the governing body of a
 27 county or other taxing agency shall buy in and hold any property in their respective
 28 counties offered for sale for nonpayment of any taxes for which there is no private
 29 purchaser.

30 (b) (1) The Mayor and City Council of Baltimore City may:

31 (1) buy in and hold any abandoned property for which there is no private
 32 purchaser for the amount of the minimum bid set pursuant to § 14-817(c)(2) of this
 33 subtitle. ~~OR~~

1 **(2) THE GOVERNING BODY OF A COUNTY OR OTHER TAXING AGENCY**
 2 **MAY TRANSFER ANY INTEREST IT ACQUIRES IN ABANDONED PROPERTY TO A LAND**
 3 **BANK AUTHORITY ESTABLISHED UNDER § 1-1403 OF THE LOCAL GOVERNMENT**
 4 **ARTICLE OF WHICH ~~BALTIMORE CITY~~ THE GOVERNING BODY OR OTHER TAXING**
 5 **AGENCY IS A MEMBER.**

6 (c) The governing body of the county, **A LAND BANK AUTHORITY ESTABLISHED**
 7 **UNDER § 1-1403 OF THE LOCAL GOVERNMENT ARTICLE OF WHICH THE COUNTY IS**
 8 **A MEMBER**, and other taxing agency have the same rights and remedies with regard to the
 9 property as other purchasers, including the right to foreclose the right of redemption.

10 (d) A certificate of sale in the form provided in this subtitle shall be issued by the
 11 collector in the name of the Mayor and City Council of Baltimore City or the governing body
 12 of the county or other taxing agency.

13 14-826.

14 When any property on which there are unpaid taxes due to any other taxing agency
 15 or to the State is purchased by the governing body of the county at a sale held by the
 16 collector under this subtitle, **OR AFTER BEING PURCHASED IS TRANSFERRED TO A**
 17 **LAND BANK AUTHORITY ESTABLISHED UNDER § 1-1403 OF THE LOCAL**
 18 **GOVERNMENT ARTICLE, NEITHER** the governing body of the county **NOR AN**
 19 **AUTHORITY** need [not] make and the collector or other taxing agency or the State is not
 20 entitled to demand immediate payment of the taxes due another taxing agency or the State.
 21 On the resale of the property by the governing body of the county **OR AUTHORITY**, unless
 22 the property is redeemed by the owner in accordance with § 14-827 of this subtitle, or on
 23 the sale by the governing body of the county of a certificate of sale under § 14-825 of this
 24 subtitle, **OTHER THAN TO AN AUTHORITY OF WHICH THE GOVERNING BODY IS A**
 25 **MEMBER**, the governing body of the county **OR THE AUTHORITY** shall pay to the other
 26 taxing agency and to the State the proportion of the proceeds of sale as the taxes due the
 27 other taxing agency or the State bear to the total amount of taxes due the State, the county,
 28 and all other taxing agencies, after deducting the cost of sale and all other expenses
 29 connected with the sale.

30 14-831.

31 Until a judgment is issued by the circuit court that forecloses all rights of redemption
 32 in any property sold by the collector, the property shall continue to be assessed as though
 33 no sale had been made, whether the governing body of the county or some other person
 34 holds the certificate of sale. Once the judgment is passed, the property shall be transferred
 35 on the assessment books or records to the holder of the certificate of sale notwithstanding
 36 the provisions of § 3-104 of the Real Property Article. After the transfer, the property shall
 37 be assessed to the holder of the certificate of sale for property tax purposes. All taxes
 38 accruing after the date of sale, together with interest and penalties on the taxes, are
 39 additional liens against the property and on passage of the final decree, are immediately

1 due and payable by the holder of the certificate of sale except as provided under § 14–826
 2 of this subtitle. The collector may not deliver a deed to the person entitled to the deed until
 3 all subsequent taxes, together with interest and penalties on the taxes, are paid in full. If
 4 the governing body of a county **OR A LAND BANK AUTHORITY ESTABLISHED UNDER §**
 5 **1–1403 OF THE LOCAL GOVERNMENT ARTICLE** is a holder of the certificate of sale, the
 6 collector shall deliver a deed for property purchased at tax sale by the governing body of
 7 the county even though taxes are unpaid, the provisions of § 3–104 of the Real Property
 8 Article and § 14–847 of this subtitle notwithstanding.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 10 October 1, 2017.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.