

## Chapter 618

**(House Bill 1168)**

AN ACT concerning

**Counties and Municipalities – Land Bank Authorities**

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

BY renumbering

Article – Local Government

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

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

Annotated Code of Maryland

(2013 Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Local Government

Section 1–1401, 1–1403, 1–1405, 1–1406, 1–1408, 1–1409, 1–1410, 1–1412, 1–1413, 1–1414, 1–1415, 1–1419, and 1–1426(a)(1) to be under the amended subtitle “Subtitle 14. Establishment of Land Bank Authorities”

Annotated Code of Maryland

(2013 Volume and 2016 Supplement)

(As enacted by Section 1 of this Act)

BY repealing and reenacting, with amendments,

Article – Tax – Property

Section 14–808(a), 14–824, 14–826, and 14–831

Annotated Code of Maryland

(2012 Replacement Volume and 2016 Supplement)

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

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

### Article – Local Government

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

1–1401.

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

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

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

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

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

(e) “Cost” includes:

(1) the purchase price of property;

(2) the cost to acquire any right, title, or interest in property;

(3) the cost of any improvements made to property;

(4) the amount to be paid to discharge each obligation necessary or desirable to vest title to any part of property in an authority or other owner;

(5) the cost of any property, right, easement, franchise, or permit associated with a project;

(6) the cost of labor, machinery, and equipment necessary to implement a project;

- (7) financing charges;
- (8) interest and reserves for principal and interest and for improvements;
- (9) the cost of revenue and cost estimates, engineering and legal services, plans, specifications, studies, surveys, and other expenses necessary or incident to determining the feasibility or practicability of a project;
- (10) administrative expenses; and
- (11) other expenses as necessary or incident to:
  - (i) financing a project;
  - (ii) acquiring and improving a project;
  - (iii) placing a project in operation, including reasonable provisions for working capital; and
  - (iv) operating and maintaining a project.

(f) **“LOCAL GOVERNMENT” MEANS A MUNICIPALITY OR A COUNTY.**

- (G) (1) “Project” means any organized plan carried out by an authority in relation to:
- (i) acquiring and rehabilitating abandoned and dilapidated properties; and
  - (ii) marketing and leasing [or], selling, **OR OTHERWISE TRANSFERRING** the rehabilitated properties.
- (2) “Project” includes:
- (i) acquiring land or an interest in land;
  - (ii) acquiring structures, equipment, and furnishings located on a property;
  - (iii) acquiring property that is functionally related and subordinate to a project; and
  - (iv) obtaining or contracting for any services necessary for the rehabilitation of a property.

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

(2) “Revenue” includes grants, rentals, rates, fees, and charges.

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

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

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

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

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

1-1403.

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

**(2) TWO OR MORE LOCAL GOVERNMENTS MAY ELECT TO ENTER INTO AN INTERGOVERNMENTAL COOPERATION AGREEMENT TO CREATE A SINGLE LAND BANK TO ACT ON BEHALF OF THE LOCAL GOVERNMENTS, WHICH MAY INCLUDE ONE OR MORE WATER AND SEWER AUTHORITIES.**

**(3) AN ORDINANCE ADOPTED UNDER THIS SECTION:**

**(I) IS ADMINISTRATIVE IN NATURE;**

**(II) IS NOT SUBJECT TO REFERENDUM; AND**

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

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

- (1) the name of the authority, which shall be “Land Bank Authority of (name of the incorporating [municipality] **LOCAL GOVERNMENT**)”;
- (2) that the authority is formed under this subtitle;
- (3) the names, addresses, and terms of office of the initial members of the board;
- (4) the address of the principal office of the authority;
- (5) the purposes for which the authority is formed; and
- (6) the powers of the authority, subject to the limitations of this subtitle.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**2. ON DEMAND OF A WITHDRAWING LOCAL GOVERNMENT THAT IS A COUNTY, ALL PROPERTY LOCATED WHOLLY WITHIN THE COUNTY AND OUTSIDE ANY MUNICIPALITY PARTICIPATING IN THE INTERGOVERNMENTAL COOPERATION AGREEMENT SHALL BE TRANSFERRED TO THE COUNTY; AND**

**(III) ALL OBLIGATIONS OF THE AUTHORITY TO THE WITHDRAWING LOCAL GOVERNMENT AND OF THE WITHDRAWING LOCAL GOVERNMENT TO THE AUTHORITY ARE ASSUMED BY THE WITHDRAWING LOCAL GOVERNMENT.**

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

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

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

1-1405.

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

(b) An authority may:

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

(2) sue and be sued;

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

(4) borrow money;

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

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

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

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

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

(10) contract for goods and services;

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

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

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

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

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

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

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

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

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

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

1-1406.

(a) An authority may:

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

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

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

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

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



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

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

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

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

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

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

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

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

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

~~(3) FILING AN AFFIDAVIT IDENTIFYING ALL PARTIES POTENTIALLY 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.

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

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

1-1413.

(a) **(1)** After an unsuccessful attempt by the [municipality] **LOCAL GOVERNMENT** to collect outstanding liens at tax sale and subject to the approval of the

**WATER AND SEWER AUTHORITY, GOVERNING BODY, OR** tax collector of the jurisdiction where the property is located, an authority may accept from a person with an interest in a parcel of **WATER AND SEWER LIEN PROPERTY**, tax delinquent property, or tax sale property a deed or assignment conveying that person’s interest in the property instead of:

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

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

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

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

**(II) THE AUTHORITY MAY:**

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

**2. FORECLOSE ON, ENTER INTO A DEED IN LIEU OF FORECLOSURE, OR SELL THE PROPERTY FOR THE LIENS OR TAXES AND RETAIN ALL PAYMENT OF TAXES, PENALTIES, OR INTEREST ON THE LIENS OR TAXES AND THE COSTS OF SELLING THE PROPERTY AND, IF ANY OTHER NET PROCEEDS REMAIN FROM THE SALE, RETURN ANY NET PROCEEDS TO THE TAX COLLECTOR FOR DISTRIBUTION ON A PRO RATA BASIS TO THE APPROPRIATE TAXING UNITS AND WATER AND SEWER AUTHORITIES IN A RATIO EQUAL TO THE DELINQUENT TAXES OR WATER AND SEWER LIENS, PENALTIES, AND INTEREST OWED ON THE PROPERTY.**

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

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

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

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

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

1-1414.

(a) [Money] **EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND (D) OF THIS SECTION, MONEY** received by an authority as payment of taxes, penalties, **WATER AND SEWER LIENS**, or interest, or from the redemption or sale of property subject to a tax lien of any taxing unit, shall be returned to the tax collector in the jurisdiction where the property is located for distribution on a pro rata basis to the appropriate taxing units in an amount equal to delinquent taxes, penalties, and interest owed on the property.

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

- (1) an agreement of the authority;
- (2) the provisions of a deed;

(3) this subtitle; or

(4) any other law.

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

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

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

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

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

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

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

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

**A. VACANT; AND**

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

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

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

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

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

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

1-1415.

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

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

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

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

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

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

1-1419.

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

1–1426.

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

### **Article – Tax – Property**

14–808.

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

14–824.

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

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

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

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

(c) The governing body of the county, **A LAND BANK AUTHORITY ESTABLISHED UNDER § 1–1403 OF THE LOCAL GOVERNMENT ARTICLE OF WHICH THE COUNTY IS**

**A MEMBER**, and other taxing agency have the same rights and remedies with regard to the property as other purchasers, including the right to foreclose the right of redemption.

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

14-826.

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

14-831.

Until a judgment is issued by the circuit court that forecloses all rights of redemption in any property sold by the collector, the property shall continue to be assessed as though no sale had been made, whether the governing body of the county or some other person holds the certificate of sale. Once the judgment is passed, the property shall be transferred on the assessment books or records to the holder of the certificate of sale notwithstanding the provisions of § 3-104 of the Real Property Article. After the transfer, the property shall be assessed to the holder of the certificate of sale for property tax purposes. All taxes accruing after the date of sale, together with interest and penalties on the taxes, are additional liens against the property and on passage of the final decree, are immediately due and payable by the holder of the certificate of sale except as provided under § 14-826 of this subtitle. The collector may not deliver a deed to the person entitled to the deed until all subsequent taxes, together with interest and penalties on the taxes, are paid in full. If the governing body of a county **OR A LAND BANK AUTHORITY ESTABLISHED UNDER § 1-1403 OF THE LOCAL GOVERNMENT ARTICLE** is a holder of the certificate of sale, the collector shall deliver a deed for property purchased at tax sale by the governing body of the county even though taxes are unpaid, the provisions of § 3-104 of the Real Property Article and § 14-847 of this subtitle notwithstanding.



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

**Approved by the Governor, May 25, 2017.**