

# HOUSE BILL 1128

L6, Q2

5l3354  
CF 5l3355

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By: **Delegate Holmes**

Introduced and read first time: February 5, 2025

Assigned to: Environment and Transportation

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Committee Report: Favorable

House action: Adopted

Read second time: February 27, 2025

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Land Bank Authorities – Powers and Authority**

3 FOR the purpose of authorizing certain land bank authorities to create a special fund for  
4 certain purposes, make loans or grants for certain purposes, and enter into  
5 partnerships for certain purposes; requiring a land bank authority to include in the  
6 sale, lease, transfer, or disposition of the land bank authority's property a certain  
7 agreement; authorizing a land bank authority to reenter and take possession of  
8 certain property under certain circumstances; authorizing a county or municipal  
9 corporation to authorize, by law, a land bank authority to foreclose on certain  
10 property through a certain in rem foreclosure action; and generally relating to the  
11 powers and authority of land bank authorities.

12 BY repealing and reenacting, with amendments,  
13 Article – Local Government  
14 Section 1–1405(b)(18) and (19) and 1–1406(a)(4) and (5)  
15 Annotated Code of Maryland  
16 (2013 Volume and 2024 Supplement)

17 BY adding to  
18 Article – Local Government  
19 Section 1–1405(b)(19), (20), and (21) and 1–1406(a)(6) and (d)  
20 Annotated Code of Maryland  
21 (2013 Volume and 2024 Supplement)

22 BY repealing and reenacting, with amendments,

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### 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 Article – Tax – Property  
2 Section 14–874, 14–875(a), (b), and (d), and 14–876(c) and (d)(1)  
3 Annotated Code of Maryland  
4 (2019 Replacement Volume and 2024 Supplement)

5 BY repealing and reenacting, without amendments,  
6 Article – Tax – Property  
7 Section 14–875(c)  
8 Annotated Code of Maryland  
9 (2019 Replacement Volume and 2024 Supplement)

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

12 **Article – Local Government**

13 1–1405.

14 (b) An authority may:

15 (18) raise revenue by any legal means required to make the operations and  
16 activities of the authority self–sustaining; [and]

17 **(19) CREATE A SPECIAL FUND FOR THE PURPOSE OF PLEDGING THE**  
18 **ASSETS OF THE AUTHORITY IN ORDER TO LEVERAGE PRIVATE INVESTMENT TO**  
19 **ACCOMPLISH THE PURPOSES OF THIS SUBTITLE;**

20 **(20) MAKE LOANS OR GRANTS, IN THE FORM REQUIRED BY THE**  
21 **AUTHORITY, TO ASSIST WITH THE FINANCING OF PROJECTS TO ACCOMPLISH THE**  
22 **PURPOSES OF THIS SUBTITLE;**

23 **(21) ENTER INTO PARTNERSHIPS WITH OTHER ENTITIES TO**  
24 **FACILITATE THE FINANCING OF PROJECTS TO ACCOMPLISH THE PURPOSES OF THIS**  
25 **SUBTITLE; AND**

26 **[(19)] (22)** do all things necessary or convenient to carry out the powers  
27 expressly granted by this subtitle or by an ordinance adopted under this subtitle.

28 1–1406.

29 (a) An authority may:

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

1 (5) execute deeds, mortgages, contracts, leases, purchases, or other  
2 agreements regarding the property of the authority; AND

3 (6) IF AUTHORIZED UNDER §§ 14-873 THROUGH 14-876 OF THE TAX  
4 - PROPERTY ARTICLE, FORECLOSE ON A PROPERTY THROUGH AN IN REM  
5 FORECLOSURE ACTION.

6 (D) (1) IF AN AUTHORITY SELLS, LEASES, TRANSFERS, OR DISPOSES OF  
7 AN INTEREST IN THE AUTHORITY'S PROPERTY, THE SALE, LEASE, TRANSFER, OR  
8 DISPOSITION SHALL INCLUDE AN AGREEMENT THAT STATES THE TERMS  
9 REGARDING:

10 (I) PROPERTY MAINTENANCE;

11 (II) PROPERTY OUTCOMES AND USES; AND

12 (III) ANY OTHER CONDITIONS OR PROVISIONS THE AUTHORITY  
13 CONSIDERS APPROPRIATE.

14 (2) THE AUTHORITY MAY REENTER A PROPERTY AND TAKE ANY  
15 ACTION NECESSARY TO TAKE POSSESSION OF A PROPERTY AND TERMINATE THE  
16 INTEREST CONVEYED TO A PURCHASER IF THE PURCHASER:

17 (I) BREACHES ANY AGREEMENT UNDER PARAGRAPH (1) OF  
18 THIS SUBSECTION AND HAS NOT COMPLETED ANY AGREED-ON IMPROVEMENTS TO  
19 THE PROPERTY;

20 (II) FAILS TO OBTAIN PERMITS THAT THE PURCHASER AGREED  
21 TO OBTAIN;

22 (III) FAILS TO DILIGENTLY PURSUE CONSTRUCTION OR  
23 REHABILITATION OF THE PROPERTY; OR

24 (IV) FAILS TO COMPLETE ANY CONSTRUCTION ON OR  
25 REHABILITATION OF THE PROPERTY BY THE TIME THAT THE PURCHASER AGREED.

26 Article - Tax - Property

27 14-874.

28 (a) Real property may be subject to foreclosure and sale under this part only if:

1 (1) the property consists of a vacant lot or improved property cited as  
2 vacant and unsafe or unfit for habitation or other authorized use on a housing or building  
3 violation notice; and

4 (2) the total amount of liens for unpaid taxes on the property exceeds the  
5 lesser of the total value of the property as last determined by the Department or as  
6 determined by an appraisal report prepared not more than 6 months before the filing of a  
7 complaint under this section by a real estate appraiser who is licensed under Title 16 of the  
8 Business Occupations and Professions Article.

9 (b) (1) A county or municipal corporation may authorize by law an in rem  
10 foreclosure in accordance with this part.

11 (2) **A LAW THAT AUTHORIZES AN IN REM FORECLOSURE MAY**  
12 **AUTHORIZE A LAND BANK AUTHORITY ESTABLISHED UNDER TITLE 1, SUBTITLE 14**  
13 **OF THE LOCAL GOVERNMENT ARTICLE TO EXERCISE THE POWERS AND DUTIES OF**  
14 **THE COUNTY OR MUNICIPALITY UNDER THIS PART.**

15 (3) A law that authorizes an in rem foreclosure shall:

16 (i) state the date after which real property may be subject to in rem  
17 foreclosure under this part;

18 (ii) establish criteria for designating real property to be foreclosed  
19 under this part;

20 (iii) authorize the county [or], **THE** municipal corporation, **OR A**  
21 **LAND BANK AUTHORITY ESTABLISHED UNDER TITLE 1, SUBTITLE 14 OF THE LOCAL**  
22 **GOVERNMENT ARTICLE** to file a complaint for an in rem foreclosure under this part; and

23 (iv) include administrative rules and procedures necessary to carry  
24 out an in rem foreclosure under this part.

25 (c) (1) Subject to subsection (d) of this section, a county or municipal  
26 corporation may authorize, by law, the sale of real property after an in rem foreclosure and  
27 designate real property to be sold under this part.

28 (2) A law that authorizes a sale of real property after an in rem foreclosure  
29 shall:

30 (i) state the date after which the real property may be subject to sale  
31 after an in rem foreclosure under this part;

32 (ii) establish criteria for designating real property to be sold under  
33 this part; and

1 (iii) include administrative rules and procedures necessary to carry  
2 out a sale under this part.

3 (d) Only real property that consists of a vacant lot or improved property cited as  
4 vacant and unsafe or unfit for habitation or other authorized use on a housing or building  
5 violation notice may be sold under this part.

6 14–875.

7 (a) A county [or], municipal corporation, **OR LAND BANK AUTHORITY**  
8 **AUTHORIZED BY A COUNTY OR MUNICIPAL CORPORATION** may file a complaint for an  
9 in rem foreclosure action in accordance with this part.

10 (b) The county [or], municipal corporation, **OR LAND BANK AUTHORITY**  
11 **AUTHORIZED BY A COUNTY OR MUNICIPAL CORPORATION** may not file a complaint for  
12 an in rem foreclosure action unless:

13 (1) the tax on the real property has been delinquent for at least 6 months;  
14 and

15 (2) the right to appeal the notice of the property as vacant and unsafe or  
16 unfit has tolled.

17 (c) All taxes shall:

18 (1) be included in the foreclosure action; and

19 (2) cease to be a lien against the real property if a judgment is entered  
20 foreclosing the existing interests of all interested parties in the real property.

21 (d) The county [or], municipal corporation, **OR LAND BANK AUTHORITY**  
22 **AUTHORIZED BY THE COUNTY OR MUNICIPAL CORPORATION** shall:

23 (1) file the complaint for an in rem foreclosure in the circuit court of the  
24 county where the real property is located; and

25 (2) within 5 days after filing the complaint, send notice and a copy of the  
26 complaint to each interested party by first-class mail and certified mail, postage prepaid,  
27 return receipt requested, bearing a postmark from the United States Postal Service.

28 14–876.

29 (c) If the circuit court finds that the county [or], municipal corporation, **OR LAND**  
30 **BANK AUTHORITY AUTHORIZED BY THE COUNTY OR MUNICIPAL CORPORATION** sent  
31 notice and a copy of the complaint to each interested party in accordance with § 14–875(d)

1 of this subtitle and that the information set forth in the complaint is accurate, the court  
2 shall:

3 (1) enter a judgment that:

4 (i) proper notice has been provided to all interested parties; and

5 (ii) the real property is a vacant lot or an improved property cited as  
6 vacant and unsafe or unfit for habitation or other authorized use on a housing or building  
7 violation notice; and

8 (2) order that ownership of the real property be transferred to the county  
9 [or], municipal corporation, **OR LAND BANK AUTHORITY** on behalf of which the complaint  
10 was filed.

11 (d) (1) The county [or], municipal corporation, **OR LAND BANK AUTHORITY**  
12 **AUTHORIZED BY THE COUNTY OR MUNICIPAL CORPORATION** shall record a judgment  
13 under subsection (c) of this section in the land records of the county.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 2025.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.