

HOUSE BILL 954

N1

7lr0853

By: **Delegate Holmes**

Introduced and read first time: February 6, 2017

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 28, 2017

CHAPTER _____

1 AN ACT concerning

2 **Foreclosed Property Registry – Updated Information – Notice to Local**
3 **Governments**

4 FOR the purpose of requiring the Department of Labor, Licensing, and Regulation to
5 establish procedures that require a foreclosure purchaser to send to the Department
6 any updates to certain information in the Foreclosed Property Registry under certain
7 circumstances; requiring the Department to send to certain local governments
8 certain information about each residential property registered in the Foreclosed
9 Property Registry under certain circumstances; and generally relating to the
10 Foreclosed Property Registry.

11 BY repealing and reenacting, with amendments,
12 Article – Real Property
13 Section 14–126.1
14 Annotated Code of Maryland
15 (2015 Replacement Volume and 2016 Supplement)

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

18 **Article – Real Property**

19 14–126.1.

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

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 (2) "Department" means the Department of Labor, Licensing, and
2 Regulation.

3 (3) "Foreclosed Property Registry" means the Foreclosed Property Registry
4 established by the Department under subsection (b) of this section.

5 (4) "Foreclosure purchaser" means the person identified as the purchaser
6 on the report of sale required by Maryland Rule 14-305 for a foreclosure sale of residential
7 property.

8 (5) "Fund" means the Foreclosed Property Registry Fund established by
9 the Department under subsection (i) of this section.

10 (6) "Local jurisdiction" means:

11 (i) A county; or

12 (ii) A municipal corporation.

13 (7) "Residential property" means real property improved by four or fewer
14 dwelling units that are designed principally and are intended for human habitation.

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

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

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

23 (2) The initial registration shall:

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

25 (ii) Contain the following information:

26 1. The name, telephone number, and address of the
27 foreclosure purchaser;

28 2. The street address of the property that is the subject of the
29 foreclosure sale;

30 3. The date of the foreclosure sale;

1 4. Whether the property is a single-family or multifamily
2 property;

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

6 6. To the best of the foreclosure purchaser's knowledge at the
7 time of registration:

8 A. Whether the residential property is vacant; and

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

11 7. Whether the foreclosure purchaser has possession of the
12 property.

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

16 (4) The final registration shall:

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

18 (ii) Contain the following information as of the date of final
19 registration:

20 1. The name, telephone number, and address of the owner on
21 the deed;

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

23 3. The date the deed was recorded.

24 **(5) THE DEPARTMENT SHALL ESTABLISH PROCEDURES THAT**
25 **REQUIRE A FORECLOSURE PURCHASER, AFTER SUBMITTING AN INITIAL**
26 **REGISTRATION, TO SEND TO THE DEPARTMENT ANY UPDATES TO THE INFORMATION**
27 **ABOUT OR RELATING TO THE FORECLOSURE PURCHASER THAT WAS SUBMITTED IN**
28 **THE INITIAL REGISTRATION.**

29 **(6) FOR EACH RESIDENTIAL PROPERTY FOR WHICH THE**
30 **DEPARTMENT RECEIVES AN INITIAL REGISTRATION, THE DEPARTMENT SHALL**

1 PROMPTLY SEND TO THE COUNTY AND, IF APPROPRIATE, THE MUNICIPAL
2 CORPORATION IN WHICH THE PROPERTY IS LOCATED ~~A COPY OF:~~

3 (I) ~~THE~~ A COPY OF THE INITIAL REGISTRATION; AND

4 (II) ~~ANY~~ NOTICE OF ANY UPDATED INFORMATION RECEIVED BY
5 THE DEPARTMENT UNDER PARAGRAPH (5) OF THIS SUBSECTION.

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

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

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

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

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

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

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

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

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

27 2. The person identified in the registry who is responsible for
28 the maintenance of the property.

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

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

32 2. Be provided:

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

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

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

7 (i) Is not a public record as defined by § 4–101 of the General
8 Provisions Article; and

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

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

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

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

16 (ii) A homeowners association or condominium in which the property
17 is located.

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

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

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

23 (3) The Department shall administer the Fund.

24 (4) (i) The Fund is a special, nonlapsing fund that is not subject to §
25 7–302 of the State Finance and Procurement Article.

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

28 (5) The Fund consists of:

29 (i) Revenue distributed to the Fund under subsection (h) of this
30 section;

- 1 (ii) Investment earnings of the Fund;
- 2 (iii) Money appropriated in the State budget to the Fund; and
- 3 (iv) Any other money from any other source accepted for the benefit
- 4 of the Fund.

5 (6) (i) The State Treasurer shall invest the money of the Fund in the

6 same manner as other State money may be invested.

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

8 (j) (1) Except as provided in paragraph (2) of this subsection, only the State

9 may enact a law requiring a notice to be filed with a unit of government to register

10 residential properties that are subject to foreclosure.

11 (2) This subsection does not restrict or otherwise affect the ability of a unit

12 of government to require a registration or notice to be filed for a purpose other than one

13 relating to foreclosure, even if a property to be identified in the registration or notice is

14 subject to foreclosure.

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

16 October 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.