

# SENATE BILL 875

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CF HB 1048

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By: **Senator Kelley**

Introduced and read first time: February 3, 2017

Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 2017

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

1 AN ACT concerning

2 **Residential Property – Notice of Foreclosure**

3 FOR the purpose of requiring a person authorized to sell residential property subject to  
4 foreclosure to file a certain notice of foreclosure with the Department of Labor,  
5 Licensing, and Regulation under certain circumstances; authorizing a notice of  
6 foreclosure to be filed with the Foreclosed Property Registry; requiring a notice of  
7 foreclosure to contain certain information; imposing certain limits on access to a  
8 notice of foreclosure; establishing that only the State, subject to a certain exception,  
9 may enact a certain law concerning residential property that is subject to foreclosure;  
10 declaring the intent of the General Assembly; defining certain terms; providing for a  
11 delayed effective date; and generally relating to notices of foreclosures on residential  
12 property.

13 BY repealing

14 Article – Real Property

15 Section 14–126.1(j)

16 Annotated Code of Maryland

17 (2015 Replacement Volume and 2016 Supplement)

18 BY adding to

19 Article – Real Property

20 Section 14–126.2 and 14–126.3

21 Annotated Code of Maryland

22 (2015 Replacement Volume and 2016 Supplement)

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

3 **Article – Real Property**

4 14–126.1.

5 [(j) (1) Except as provided in paragraph (2) of this subsection, only the State  
6 may enact a law requiring a notice to be filed with a unit of government to register  
7 residential properties that are subject to foreclosure.

8 (2) This subsection does not restrict or otherwise affect the ability of a unit  
9 of government to require a registration or notice to be filed for a purpose other than one  
10 relating to foreclosure, even if a property to be identified in the registration or notice is  
11 subject to foreclosure.]

12 **14–126.2.**

13 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
14 INDICATED.

15 (2) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR,  
16 LICENSING, AND REGULATION.

17 (3) “FORECLOSED PROPERTY REGISTRY” MEANS THE FORECLOSED  
18 PROPERTY REGISTRY ESTABLISHED BY THE DEPARTMENT UNDER § 14–126.1 OF  
19 THIS SUBTITLE.

20 (4) “LOCAL JURISDICTION” MEANS:

21 (I) A COUNTY; OR

22 (II) A MUNICIPAL CORPORATION.

23 (5) “NOTICE OF FORECLOSURE” MEANS THE NOTICE DESCRIBED IN  
24 SUBSECTION (B) OF THIS SECTION.

25 (6) “PERSON AUTHORIZED TO MAKE THE SALE” MEANS THE PERSON  
26 DESIGNATED UNDER THE MARYLAND RULES TO SELL RESIDENTIAL PROPERTY  
27 SUBJECT TO FORECLOSURE.

28 (7) “RESIDENTIAL PROPERTY” MEANS REAL PROPERTY IMPROVED  
29 BY FOUR OR FEWER DWELLING UNITS THAT ARE DESIGNED PRINCIPALLY AND ARE  
30 INTENDED FOR HUMAN HABITATION.

1           **(B) (1) WITHIN 7 DAYS OF THE FILING OF AN ORDER TO DOCKET OR A**  
2 **COMPLAINT TO FORECLOSE A MORTGAGE OR DEED OF TRUST ON A RESIDENTIAL**  
3 **PROPERTY BY A PERSON AUTHORIZED TO MAKE THE SALE OF THE RESIDENTIAL**  
4 **PROPERTY, THE PERSON AUTHORIZED TO MAKE THE SALE SHALL PROVIDE THE**  
5 **DEPARTMENT WITH A NOTICE OF FORECLOSURE AS REQUIRED UNDER THIS**  
6 **SUBSECTION.**

7           **(2) THE NOTICE OF FORECLOSURE SHALL:**

8                   **(I) BE IN THE FORM THE DEPARTMENT REQUIRES, WHICH MAY**  
9 **BE THE FORM OF A REGISTRATION WITH THE FORECLOSED PROPERTY REGISTRY;**  
10 **AND**

11                   **(II) CONTAIN THE FOLLOWING INFORMATION REGARDING THE**  
12 **PROPERTY THAT IS SUBJECT TO FORECLOSURE:**

13                           **1. THE STREET ADDRESS;**

14                           **2. THE TAX ACCOUNT NUMBER, IF KNOWN;**

15                           **3. WHETHER THE PROPERTY IS VACANT, IF KNOWN;**

16                           **4. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF**  
17 **THE OWNER OR OWNERS OF THE PROPERTY, IF KNOWN;**

18                           **5. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF**  
19 **THE PERSON AUTHORIZED TO MAKE THE SALE; AND**

20                           **6. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF A**  
21 **PERSON AUTHORIZED TO MANAGE AND MAINTAIN THE PROPERTY BEFORE THE**  
22 **FORECLOSURE SALE, IF KNOWN.**

23           **(C) (1) A NOTICE OF FORECLOSURE:**

24                   **(I) IS NOT A PUBLIC RECORD AS DEFINED IN § 4-101 OF THE**  
25 **GENERAL PROVISIONS ARTICLE; AND**

26                   **(II) IS NOT SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS**  
27 **ARTICLE.**

28           **(2) THE DEPARTMENT MAY AUTHORIZE ACCESS TO A NOTICE OF**  
29 **FORECLOSURE ONLY TO LOCAL JURISDICTIONS, THE AGENCIES OF LOCAL**  
30 **JURISDICTIONS, AND REPRESENTATIVES OF STATE AGENCIES.**

1           **(3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS**  
 2 **SUBSECTION, THE DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE**  
 3 **INFORMATION FOR A SPECIFIC PROPERTY DESCRIBED IN A NOTICE OF**  
 4 **FORECLOSURE TO:**

5                   **(I) A PERSON WHO OWNS PROPERTY ON THE SAME BLOCK; OR**

6                   **(II) A HOMEOWNERS ASSOCIATION OR CONDOMINIUM IN WHICH**  
 7 **THE PROPERTY IS LOCATED.**

8 **14-126.3.**

9           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ONLY THE**  
 10 **STATE MAY ENACT A LAW REQUIRING A NOTICE TO BE FILED WITH A UNIT OF**  
 11 **GOVERNMENT TO REGISTER RESIDENTIAL PROPERTIES THAT ARE SUBJECT TO**  
 12 **FORECLOSURE.**

13           **(B) THIS SECTION DOES NOT RESTRICT OR OTHERWISE AFFECT THE**  
 14 **ABILITY OF A UNIT OF GOVERNMENT TO REQUIRE A REGISTRATION OR NOTICE TO**  
 15 **BE FILED FOR A PURPOSE OTHER THAN ONE RELATING TO FORECLOSURE, EVEN IF**  
 16 **A PROPERTY TO BE IDENTIFIED IN THE REGISTRATION OR NOTICE IS SUBJECT TO**  
 17 **FORECLOSURE.**

18           SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General  
 19 Assembly that this Act is not intended to repeal any local law that was enacted prior to  
 20 January 1, 2017, that requires a notice substantially similar to the notice of foreclosure  
 21 described in this Act to be filed with the local jurisdiction.

22           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 23 October 1, ~~2017~~ 2018.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.