

HOUSE BILL 78

N1, L6

8lr0503
CF SB 222

By: **Delegate Holmes**

Introduced and read first time: January 11, 2018

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: February 14, 2018

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 submit to the Foreclosed
6 Property Registry any change to certain information within a certain number of days
7 after the change is known to the purchaser; requiring the Department to notify, by
8 electronic means, certain authorized users from certain counties and municipal
9 corporations on receipt through the Foreclosed Property Registry of an initial
10 registration or a change to certain information; and generally relating to the
11 Foreclosed Property Registry.

12 BY repealing and reenacting, with amendments,
13 Article – Real Property
14 Section 14–126.1
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2017 Supplement)
17 (As enacted by Chapters 348 and 349 of the Acts of the General Assembly of 2017)

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

20 **Article – Real Property**

21 14–126.1.

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.



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

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

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

(4) “Foreclosure purchaser” means the person identified as the purchaser on the report of sale required by Maryland Rule 14–305 for a foreclosure sale of residential property.

(5) “Fund” means the Foreclosed Property Registry Fund established by the Department under subsection (i) of this section.

(6) “Local jurisdiction” means:

(i) A county; or

(ii) A municipal corporation.

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

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

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

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

(2) The initial registration shall:

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

(ii) Contain the following information:

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

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

1 3. The date of the foreclosure sale;

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

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

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

9 A. Whether the residential property is vacant; and

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

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

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

17 (4) The final registration shall:

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

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

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

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

24 3. The date the deed was recorded.

25 **(5) THE DEPARTMENT SHALL ESTABLISH PROCEDURES THAT**
26 **REQUIRE A FORECLOSURE PURCHASER, AFTER SUBMITTING AN INITIAL**
27 **REGISTRATION, TO SUBMIT TO THE FORECLOSED PROPERTY REGISTRY ANY**
28 **CHANGE TO THE INFORMATION REQUIRED UNDER PARAGRAPH (2)(II)5 THROUGH 7**
29 **OF THIS SUBSECTION WITHIN 21 BUSINESS DAYS AFTER THE CHANGE IS KNOWN TO**
30 **THE PURCHASER.**

(6) ON RECEIPT THROUGH THE FORECLOSED PROPERTY REGISTRY OF AN INITIAL REGISTRATION OR ANY CHANGE SUBMITTED UNDER PARAGRAPH (5) OF THIS SUBSECTION, THE DEPARTMENT SHALL PROMPTLY NOTIFY, BY ELECTRONIC MEANS, AUTHORIZED USERS FROM THE COUNTY AND, IF APPROPRIATE, THE MUNICIPAL CORPORATION IN WHICH THE PROPERTY IS LOCATED.

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

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

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

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

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

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

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

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

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

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

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

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

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;

(ii) Investment earnings of the Fund;

(iii) Money appropriated in the State budget to the Fund; and

(iv) Any other money from any other source accepted for the benefit of the Fund.

(6) (i) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.