

# HOUSE BILL 1373

N1

(2lr0147)

## ENROLLED BILL

— Environmental Matters/Judicial Proceedings —

Introduced by **Chair, Environmental Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

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

1 AN ACT concerning

### 2 **Real Property – Foreclosed Property Registry**

3 FOR the purpose of requiring the Department of Labor, Licensing, and Regulation to  
4 establish and maintain a Foreclosed Property Registry for certain property;  
5 requiring certain foreclosure purchasers to register certain residential property  
6 and to pay certain fees under certain circumstances; authorizing the  
7 Department a local jurisdiction to enact a local law to impose a certain civil  
8 penalty for a certain violation of this Act; imposing certain limits on access to  
9 the Foreclosed Property Registry; establishing that certain fees are  
10 nonrefundable; authorizing a local government jurisdiction that takes certain  
11 actions related to a residential property on the Registry to charge collect the  
12 cost associated with the action as part of a charge on the residential property's  
13 property tax assessment bill; requiring a local jurisdiction to give certain  
14 advance written notice before taking certain actions; establishing the Foreclosed

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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.

*Italics indicate opposite chamber/conference committee amendments.*



1 Property Registry Fund; providing for the purpose and composition of the Fund;  
 2 requiring the State Treasurer to invest money in the Fund; providing that  
 3 earnings from the Fund shall be credited to the Fund; exempting the Fund from  
 4 a certain provision of law requiring interest on State money in special funds to  
 5 accrue to the General Fund of the State; repealing a certain provision of law  
 6 authorizing a county or municipal corporation to enact a certain local law  
 7 relating to notice of a foreclosure on residential property; establishing that only  
 8 the State may enact a certain law; establishing that a certain provision does not  
 9 restrict or otherwise affect the ability of a unit of government to require a certain  
 10 notice or registration to be filed for a certain purpose; requiring the Department  
 11 to report certain information to the General Assembly on or before a certain  
 12 date; establishing that this Act is not intended to repeal a certain local law; and  
 13 generally relating to the Foreclosed Property Registry.

14 BY repealing

15 Article – Real Property  
 16 Section 14–126(c)  
 17 Annotated Code of Maryland  
 18 (2010 Replacement Volume and 2011 Supplement)

19 BY adding to

20 Article – Real Property  
 21 Section 14–126.1  
 22 Annotated Code of Maryland  
 23 (2010 Replacement Volume and 2011 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – State Finance and Procurement  
 26 Section 6–226(a)(2)(ii)62. and 63.  
 27 Annotated Code of Maryland  
 28 (2009 Replacement Volume and 2011 Supplement)

29 BY adding to

30 Article – State Finance and Procurement  
 31 Section 6–226(a)(2)(ii)64.  
 32 Annotated Code of Maryland  
 33 (2009 Replacement Volume and 2011 Supplement)

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

36 **Article – Real Property**

37 14–126.

38 [(c) (1) In this subsection, “residential property” has the meaning stated in  
 39 § 7–105.1 of this article.

1           (2) A county or municipal corporation may enact a local law requiring  
2 that notice be given to a county or municipal agency or official when an order to docket  
3 or a complaint to foreclose a mortgage or deed of trust is filed on residential property  
4 located within the county or municipal corporation.

5           (3) A local law enacted under this subsection shall require that within  
6 five days after filing an order to docket or a complaint to foreclose a mortgage or deed  
7 of trust on residential property, the person authorized to make the sale shall give  
8 notice of the filing to the county or municipal agency or official designated by the local  
9 law.

10           (4) The notice required under paragraph (3) of this subsection shall  
11 include:

12                   (i) The street address of the residential property subject to the  
13 foreclosure action;

14                   (ii) The names and addresses, if known, of all owners of the  
15 residential property subject to the foreclosure action; and

16                   (iii) The name, address, and telephone number of the person  
17 authorized to make the sale.]

18 **14-126.1.**

19           (A) (1) **IN THIS SECTION, THE FOLLOWING WORDS HAVE THE**  
20 **MEANINGS INDICATED.**

21                   (2) **“DEPARTMENT” MEANS THE DEPARTMENT OF LABOR,**  
22 **LICENSING, AND REGULATION.**

23                   (3) **“FORECLOSED PROPERTY REGISTRY” MEANS THE**  
24 **FORECLOSED PROPERTY REGISTRY ESTABLISHED BY THE DEPARTMENT**  
25 **UNDER SUBSECTION (B) OF THIS SECTION.**

26                   (4) **“FORECLOSURE PURCHASER” MEANS THE PERSON**  
27 **IDENTIFIED AS THE PURCHASER ON THE REPORT OF SALE REQUIRED BY**  
28 **MARYLAND RULE 14-305 FOR A FORECLOSURE SALE OF RESIDENTIAL**  
29 **PROPERTY.**

30                   (5) **“FUND” MEANS THE FORECLOSED PROPERTY REGISTRY**  
31 **FUND ESTABLISHED BY THE DEPARTMENT UNDER SUBSECTION ~~(H)~~ (I) OF THIS**  
32 **SECTION.**

1           **(6) “LOCAL JURISDICTION” MEANS:**

2                   **(I) A COUNTY; OR**

3                   **(II) A MUNICIPAL CORPORATION.**

4           **(7) “RESIDENTIAL PROPERTY” MEANS REAL PROPERTY**  
5 **IMPROVED BY FOUR OR FEWER DWELLING UNITS THAT ARE DESIGNED**  
6 **PRINCIPALLY AND ARE INTENDED FOR HUMAN HABITATION.**

7           **(B) THE DEPARTMENT SHALL ESTABLISH AND MAINTAIN AN**  
8 **INTERNET-BASED FORECLOSED PROPERTY REGISTRY FOR INFORMATION**  
9 **RELATING TO FORECLOSURE SALES OF RESIDENTIAL PROPERTY.**

10           **(C) AT THE TIME OF ~~THE~~ A FORECLOSURE SALE OF RESIDENTIAL**  
11 **PROPERTY, THE PERSON RESPONSIBLE FOR CONDUCTING THE FORECLOSURE**  
12 **SHALL OBTAIN FROM THE FORECLOSURE PURCHASER A WRITTEN**  
13 **ACKNOWLEDGMENT OF THE REQUIREMENTS OF THIS SECTION.**

14           **(D) (1) WITHIN 30 DAYS AFTER A FORECLOSURE SALE OF**  
15 **RESIDENTIAL PROPERTY, A FORECLOSURE PURCHASER SHALL SUBMIT AN**  
16 **INITIAL REGISTRATION TO THE FORECLOSED PROPERTY REGISTRY.**

17           **(2) THE INITIAL REGISTRATION SHALL:**

18                   **(I) BE IN THE FORM THE DEPARTMENT REQUIRES; AND**

19                   **(II) CONTAIN THE FOLLOWING INFORMATION:**

20                           **1. THE NAME, TELEPHONE NUMBER, AND ADDRESS**  
21 **OF THE FORECLOSURE PURCHASER;**

22                           **2. THE STREET ADDRESS OF THE PROPERTY THAT IS**  
23 **THE SUBJECT OF THE FORECLOSURE SALE;**

24                           **3. THE DATE OF THE FORECLOSURE SALE;**

25                           ~~**4. THE SALE PRICE OF THE PROPERTY;**~~

26                           ~~**5.**~~ **4. WHETHER THE PROPERTY IS A SINGLE-FAMILY**  
27 **OR MULTIFAMILY PROPERTY;**

1                    ~~6~~ 5. THE NAME AND ADDRESS OF THE PERSON,  
 2 INCLUDING A SUBSTITUTE PURCHASER, WHO ~~CAN~~ IS AUTHORIZED TO ACCEPT  
 3 LEGAL SERVICE FOR THE FORECLOSURE PURCHASER;

4                    ~~7~~ 6. TO THE BEST OF THE FORECLOSURE  
 5 PURCHASER'S KNOWLEDGE AT THE TIME OF REGISTRATION:

6                    A. WHETHER THE RESIDENTIAL PROPERTY IS  
 7 VACANT; AND

8                    B. THE NAME, TELEPHONE NUMBER, AND STREET  
 9 ADDRESS OF THE PERSON WHO IS RESPONSIBLE FOR THE MAINTENANCE OF  
 10 THE PROPERTY; AND

11                    8. WHETHER THE FORECLOSURE PURCHASER HAS  
 12 POSSESSION OF THE PROPERTY.

13                    (3) WITHIN 30 DAYS AFTER ~~THE A DEED HAS BEEN RECORDED~~  
 14 ~~FOR A FORECLOSURE SALE OF~~ TRANSFERRING TITLE TO THE RESIDENTIAL  
 15 PROPERTY HAS BEEN RECORDED OR TITLE HAS TRANSFERRED IN ACCORDANCE  
 16 ~~WITH A DEED IN LIEU OF FORECLOSURE~~, THE FORECLOSURE PURCHASER  
 17 SHALL SUBMIT A FINAL REGISTRATION TO THE FORECLOSED PROPERTY  
 18 REGISTRY.

19                    (4) THE FINAL REGISTRATION SHALL:

20                    (I) BE IN THE FORM THE DEPARTMENT REQUIRES; AND

21                    (II) CONTAIN THE FOLLOWING INFORMATION AS OF THE  
 22 DATE OF FINAL REGISTRATION:

23                    1. THE NAME, TELEPHONE NUMBER, AND ADDRESS  
 24 OF THE OWNER ON THE DEED;

25                    2. THE DATE OF THE RATIFICATION OF THE SALE;  
 26 AND

27                    3. THE DATE THE DEED WAS RECORDED.

28                    (E) (1) THE FILING FEES FOR REGISTERING A RESIDENTIAL  
 29 PROPERTY ARE:

30                    (I) \$50 FOR AN INITIAL REGISTRATION FILED WITHIN THE  
 31 TIME PERIOD REQUIRED UNDER SUBSECTION (D)(1) OF THIS SECTION; AND

1 (II) \$100 FOR AN INITIAL REGISTRATION FILED AFTER THE  
2 TIME PERIOD REQUIRED UNDER SUBSECTION (D)(1) OF THIS SECTION.

3 (2) THERE IS NO FEE FOR A FINAL REGISTRATION.

4 (3) A FILING FEE PAID UNDER PARAGRAPH (1) OF THIS  
5 SUBSECTION IS NONREFUNDABLE.

6 ~~(3) (4) A LOCAL JURISDICTION THE DEPARTMENT A LOCAL~~  
7 ~~JURISDICTION MAY ENACT A LOCAL LAW THAT IMPOSES A FINE FOR VIOLATING~~  
8 ~~THIS SECTION IMPOSE ENACT A LOCAL LAW THAT IMPOSES A CIVIL PENALTY~~  
9 ~~FOR FAILURE TO REGISTER UNDER THIS SECTION IN AN AMOUNT NOT~~  
10 ~~EXCEEDING \$1,000.~~

11 (F) (1) A SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A  
12 LOCAL GOVERNMENT JURISDICTION THAT, IN ACCORDANCE WITH ANY  
13 APPLICABLE BUILDING CODE OR LOCAL ORDINANCE, ABATES A NUISANCE ON A  
14 RESIDENTIAL PROPERTY REGISTERED UNDER THIS SECTION OR TAKES ACTION  
15 TO MAINTAIN A RESIDENTIAL PROPERTY REGISTERED UNDER THIS SECTION  
16 MAY CHARGE COLLECT THE COST ASSOCIATED WITH THE ABATEMENT OR  
17 OTHER ACTION AS PART OF A CHARGE INCLUDED ON THE RESIDENTIAL  
18 PROPERTY'S PROPERTY TAX ASSESSMENT BILL.

19 (2) (I) THE COST ASSOCIATED WITH AN ABATEMENT OR OTHER  
20 ACTION TAKEN UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT BE  
21 INCLUDED AS A CHARGE ON THE RESIDENTIAL PROPERTY'S PROPERTY TAX BILL  
22 UNLESS THE LOCAL JURISDICTION PROVIDES ADVANCE WRITTEN NOTICE IN  
23 ACCORDANCE WITH SUBPARAGRAPH (II) OF THIS PARAGRAPH TO:

24 1. THE PERSON IDENTIFIED IN THE REGISTRY WHO  
25 IS AUTHORIZED TO ACCEPT LEGAL SERVICE FOR THE FORECLOSURE  
26 PURCHASER; AND

27 2. THE PERSON IDENTIFIED IN THE REGISTRY WHO  
28 IS RESPONSIBLE FOR THE MAINTENANCE OF THE PROPERTY.

29 (II) THE NOTICE DESCRIBED IN SUBPARAGRAPH (I) OF THIS  
30 PARAGRAPH SHALL:

31 1. DESCRIBE THE INTENDED ABATEMENT OR OTHER  
32 ACTION THE LOCAL JURISDICTION INTENDS TO TAKE; AND

33 2. BE PROVIDED:

1 A. IN ACCORDANCE WITH THE NOTICE PROVISIONS  
 2 OF THE APPLICABLE BUILDING CODE OR LOCAL ORDINANCE; OR

3 B. IF THE APPLICABLE BUILDING CODE OR LOCAL  
 4 ORDINANCE DOES NOT PROVIDE FOR NOTICE, AT LEAST 30 DAYS BEFORE THE  
 5 LOCAL JURISDICTION ABATES THE NUISANCE OR TAKES ACTION TO MAINTAIN  
 6 THE PROPERTY.

7 ~~(F)~~ (G) (1) THE FORECLOSED PROPERTY REGISTRY:

8 (I) IS NOT A PUBLIC RECORD AS DEFINED BY § 10-611 OF  
 9 THE STATE GOVERNMENT ARTICLE; AND

10 (II) IS NOT SUBJECT TO TITLE 10, SUBTITLE 6 OF THE  
 11 STATE GOVERNMENT ARTICLE.

12 (2) THE DEPARTMENT MAY AUTHORIZE ACCESS TO THE  
 13 FORECLOSED PROPERTY REGISTRY ONLY TO LOCAL JURISDICTIONS, THEIR  
 14 AGENCIES, AND REPRESENTATIVES AND STATE AGENCIES.

15 (3) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS  
 16 SUBSECTION, THE DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE  
 17 ~~LIMITED CONTACT~~ INFORMATION FOR A SPECIFIC PROPERTY IN THE  
 18 FORECLOSED PROPERTY REGISTRY TO:

19 (I) A PERSON WHO OWNS PROPERTY ON THE SAME BLOCK;  
 20 OR

21 (II) A HOMEOWNERS ASSOCIATION OR CONDOMINIUM IN  
 22 WHICH THE PROPERTY IS LOCATED.

23 ~~(G)~~ (H) REVENUE COLLECTED FROM THE FILING FEES REQUIRED  
 24 UNDER SUBSECTION (E)(1) OF THIS SECTION SHALL BE DISTRIBUTED TO THE  
 25 FUND.

26 ~~(H)~~ (I) (1) THERE IS A FORECLOSED PROPERTY REGISTRY FUND  
 27 IN THE DEPARTMENT.

28 (2) THE PURPOSE OF THE FUND IS TO SUPPORT THE  
 29 DEVELOPMENT, ADMINISTRATION, AND MAINTENANCE OF THE FORECLOSED  
 30 PROPERTY REGISTRY ESTABLISHED UNDER THIS SECTION.

31 (3) THE DEPARTMENT SHALL ADMINISTER THE FUND.

1           (4) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS  
2 NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT  
3 ARTICLE.

4           (II) THE STATE TREASURER SHALL HOLD THE FUND  
5 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

6           (5) THE FUND CONSISTS OF:

7           (I) REVENUE DISTRIBUTED TO THE FUND UNDER  
8 SUBSECTION ~~(G)~~ (H) OF THIS SECTION;

9           (II) INVESTMENT EARNINGS OF THE FUND;

10          (III) MONEY APPROPRIATED IN THE STATE BUDGET TO THE  
11 FUND; AND

12          (IV) ANY OTHER MONEY FROM ANY OTHER SOURCE  
13 ACCEPTED FOR THE BENEFIT OF THE FUND.

14          (6) (I) THE STATE TREASURER SHALL INVEST THE MONEY OF  
15 THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

16          (II) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE  
17 PAID INTO THE FUND.

18          (J) (1) ~~ONLY~~ EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
19 SUBSECTION, ONLY THE STATE MAY ENACT A LAW REQUIRING A NOTICE TO BE  
20 FILED WITH A UNIT OF GOVERNMENT ~~RELATING TO~~ REGISTER RESIDENTIAL  
21 PROPERTIES THAT ARE SUBJECT TO FORECLOSURE.

22          (2) THIS SUBSECTION DOES NOT RESTRICT OR OTHERWISE  
23 AFFECT THE ABILITY OF A UNIT OF GOVERNMENT TO REQUIRE A REGISTRATION  
24 OR NOTICE TO BE FILED FOR A PURPOSE OTHER THAN ONE RELATING TO  
25 FORECLOSURE, EVEN IF A PROPERTY TO BE IDENTIFIED IN THE REGISTRATION  
26 OR NOTICE IS SUBJECT TO FORECLOSURE.

27                           Article – State Finance and Procurement

28                           6-226.

29           (a) (2) (ii) The provisions of subparagraph (i) of this paragraph do not  
30 apply to the following funds:



- 1                   62.   Veterans Trust Fund; [and]
- 2                   63.   Transportation Trust Fund; AND
- 3                   **64.   FORECLOSED PROPERTY REGISTRY FUND.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That, on or before ~~December 1,~~  
5 ~~2012~~ January 1, 2013, the Department of Labor, Licensing, and Regulation shall  
6 report to the General Assembly, in accordance with § 2-1246 of the State Government  
7 Article, on the status of the Foreclosed Property Registry and the Foreclosed Property  
8 Registry Fund established under this Act, including the number of properties  
9 registered, the cost of maintaining the Foreclosed Property Registry, the Fund  
10 balance, whether the registration fees need to be altered to reflect the costs of  
11 maintaining the Foreclosed Property Registry, and the Department’s assessment of  
12 the effectiveness of the Registry.

13           SECTION 3. AND BE IT FURTHER ENACTED, That this Act is not intended  
14 to repeal any local law that was enacted under Chapter 149 of the Acts of the General  
15 Assembly of 2009 and that is in effect on the effective date of this Act.

16           SECTION ~~2.~~ ~~3.~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
17 effect October 1, 2012.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.