

HOUSE BILL 1128

L6, Q2

5lr3354
CF 5lr3355

By: **Delegate Holmes**

Introduced and read first time: February 5, 2025

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: February 27, 2025

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,

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.



Article – Tax – Property

Section 14–874, 14–875(a), (b), and (d), and 14–876(c) and (d)(1)

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 14–875(c)

Annotated Code of Maryland

(2019 Replacement Volume and 2024 Supplement)

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

Article – Local Government

1–1405.

(b) An authority may:

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

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

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

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

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

1–1406.

(a) An authority may:

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

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

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

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

(I) PROPERTY MAINTENANCE;

(II) PROPERTY OUTCOMES AND USES; AND

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

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

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

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

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

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

Article – Tax – Property

14–874.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14–875.

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

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

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

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

(c) All taxes shall:

(1) be included in the foreclosure action; and

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

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

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

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

14–876.

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

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

(1) enter a judgment that:

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

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

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

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.