



House Bill 702

Residential Property – Vacant and Abandoned Property – Expedited Foreclosure

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Environment and Transportation Committee

Date: February 14, 2017

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS with AMENDMENTS** HB 702 as this bill intends to establish an expedited foreclosure process for homes that are vacant and abandoned. These properties are often a source of blight and nuisance for the communities surrounding them.

MACo appreciates the time and effort invested by the sponsor, committee, and fellow stakeholders over the interim to study foreclosures as well as vacant and abandoned properties with the goal of providing local governments additional tools for addressing problem properties. Counties support these efforts but raise the following concerns to ensure an effective expedited foreclosure process is developed without unintended consequences that may undermine the benefits.

County Liability

The bill requires that the appropriate county official verify to the court that the property is vacant and abandoned before the expedited foreclosure process may move forward. This is a highly fact-specific and complex inquiry that raises significant liability concerns. The county would be vulnerable to constitutional claims and other costly and time-consuming lawsuits from an aggrieved party should the property turn out not to be vacant and abandoned. The law generally affords strong protection for personal property rights and counties do not want to run afoul of any longstanding protections.

County Resources

Counties are also concerned about the staff time and resources that would need to be dedicated to inspecting the properties in order to verify that they are vacant and abandoned. County code enforcement staff serve the important function of safeguarding health and safety. They investigate complaints, perform legally required inspections, and enforce compliance with state and local building codes. The mandatory inspections and verifications for the expedited foreclosure process would add a new layer of responsibility to their workloads without additional compensation, stretching already limited resources even thinner. The responsibility for verifying the properties are vacant and abandoned should fall on the foreclosing party.

Homeowner Protections

Finally, while the community will benefit from a property that is no longer vacant and unmaintained,

the bill should include stronger and clearer protections for the property owner on record. This could include adding notice provisions, as well as opportunities for an owner to object and appeal. The criteria used to determine “vacant and abandoned” should also be reinforced by appropriate documentation. For example, disconnected utilities should be supported by documentation from the utility company.

MACo hopes the Committee finds these comments helpful and stands ready to contribute to the Committee’s work toward a shared goal of an efficient and effective process to expedite the foreclosure of vacant and abandoned properties. For these reasons, MACo urges a **FAVORABLE with AMENDMENTS** report on HB 702.