

**CITY OF SALISBURY  
ORDINANCE NO. 2175**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALISBURY,  
MARYLAND ADDING CHAPTER 15.21 TO THE SALISBURY MUNICIPAL CODE  
TO CREATE A FORECLOSED PROPERTY REGISTRY

WHEREAS, recent events in the national housing market have led to a drastic rise in the number of foreclosed houses in the City of Salisbury; and

WHEREAS, such houses are often in the control of financial institutions that have little connection to the communities where these houses are located; and

WHEREAS, many of these houses are vacated at the demand or request of the financial institution, frequently prior to the conclusion of the foreclosure proceedings;

WHEREAS, the City of Salisbury and jurisdictions around the nation are encountering patterns of lack of concern and neglect from financial institutions regarding maintenance of foreclosed properties; and

WHEREAS, many of these properties remain vacant and poorly maintained for months or even years, creating a blight on the neighborhood and becoming an attractive nuisance within the neighborhood; and

WHEREAS, these neglected properties accumulate litter and debris, are frequently unsecured, lack basic maintenance and often have numerous other nuisance violations; and

WHEREAS, the neglected properties attract vandalism, squatters and criminal activity;  
and

WHEREAS, it is difficult for City Officials responsible for enforcing applicable provisions of the Salisbury Municipal Code to communicate with the appropriate financial institutions in order to achieve Code compliance because the identities of the foreclosing financial institutions and their authorized representatives in the area are often obscured by layers of unrecorded conveyances and layers of financial institutions or organizations in multiple locations; and

WHEREAS, the State of Maryland has enacted Sections 7-105.1(a) and 14-126 of the *Real Property Article*, Annotated Code of Maryland to provide for the filing of certain

information regarding the identity and contact information of the person authorized to make the sale of the property in foreclosure; and

WHEREAS, the City of Salisbury has decided to enact local legislation as is authorized by Section 14-126 (c)(3) requiring notice to the City of Salisbury.

NOW THEREFORE, be it enacted and ordained by the Council of the City of Salisbury, Maryland, that Chapter 15.21 Foreclosed Property Registry be added to Title 15- Buildings and Construction of the Salisbury Municipal Code.

## **CHAPTER 15.21**

### **FORECLOSED PROPERTY REGISTRY**

#### **Sections:**

- 15.21.010**     **Scope**
- 15.21.020**     **Purpose**
- 15.21.030**     **Definitions**
- 15.21.040**     **Foreclosed Property Registration**
- 15.21.050**     **Failure to Register**
- 12.21.060**     **Violations and Penalties**
- 15.21.070**     **Appeals Procedures**

#### **15.21.010**     **Scope**

This chapter applies to foreclosure of a mortgage or deed of trust on residential property, as defined in § 15.21.030.

#### **15.21.020**     **Purpose**

The purpose of this chapter is to protect the public safety and the general welfare of the citizens of the City of Salisbury and to assist the city government in identifying the responsible entity authorized to make the sale of residential property in foreclosure.

**15.21.030**      **Definitions**

- A) **Director** means the Director of the Department of Neighborhood Services and Code Compliance (NSCC).
- B) **Person Authorized to Make the Sale** means the person designated pursuant to the Maryland rules to sell residential property in foreclosure.
- C) **Residential Property** means property improved by four or fewer single family dwelling units.

**15.21.040**      **Foreclosed Property Registration**

A) Within 5 (five) calendar days after a person authorized to make the sale of a residential property has filed an order to docket or complaint to foreclose a mortgage or deed of trust on residential property located in the City of Salisbury, the person authorized to make the sale shall give notice of the filing to the Director. The information required shall be made available by completing a form which shall be available through the office of the Director.

B) The notice shall identify the residential property subject to foreclosure by street address and, if known, by tax account number, and shall include the names and addresses, if known, of all owners of the residential property subject to foreclosure action and the name, address, and telephone number of the person authorized to make the sale of the residential property.

C) The person authorized to make the sale shall provide to the Director the name, address, and telephone number of the person authorized to manage and maintain the residential property prior to the sale of the residential property.

D) If the person authorized to make sale of a foreclosed property is not domiciled in Wicomico County, Maryland, a designated agent for service of notice of violation and process by the city, who is a permanent resident of Worcester, Somerset or Wicomico County, Maryland shall be named. If such agent shall resign, fail to be qualified to serve as the agent, or cease to serve in that capacity, then the legal entity shall designate another individual as the agent on the registry within 30 (thirty) calendar days thereafter.

E) The fee for a foreclosed property registration shall be set by separate ordinance.

**15.21.050**      **Failure to Provide Notice of Foreclosure**

A person authorized to make sale of a property that fails to give notice to the Director pursuant to 15.23.040, shall be guilty of a municipal infraction and fined up to a maximum of \$500.00 (five hundred dollars) for the first offense. For each day that the condition remains unabated, the

owner shall be guilty of a municipal infraction and fined up to a maximum \$500.00 (five hundred dollars) per day for up to a maximum of five consecutive days.

**15.21.060**     **Notice of violation**

A. When a violation of Section 15.21.040 of this chapter occurs, a notice of violation shall be served as set forth below. This notice of violation shall:

1. be in writing;
2. State the nature of the violation;
3. Describe the premises where the violation is alleged to exist;
4. Be served by one of the following methods:
  - a. by posting a copy of the notice or order in a conspicuous place on the property,
  - b. By hand-delivering the notice to the person to be notified, or
  - c. By leaving the notice at the usual residence or place of business of the person to be notified with a person of suitable age and discretion.

**15.21.060**     **Appeals Procedures**

A. Any person wishing to appeal a determination of the Director regarding the provisions of this chapter shall file a written notice of appeal with the Department of Neighborhood Services and Code Compliance within twenty-one (21) calendar days after receipt of a notice sent pursuant to the provisions of this chapter. The notice of appeal shall contain a statement of grounds for the appeal. The notice of appeal shall be accompanied by a fee of \$100.00 (one hundred dollars). Municipal infraction citations are subject to the jurisdiction of the District Court of Maryland and, once issued, are not subject to the provisions of this Chapter.

B. The Director shall refer the appeal to the Housing Board of Adjustments and Appeals for hearing pursuant to Chapter 15.24.360 of the Salisbury Municipal Code.

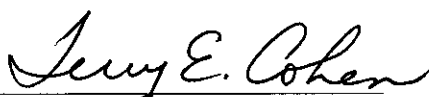
C. Should the decision of the Director be reversed by a final appellate decision, the appellant shall receive a refund of the \$100.00 (one hundred dollar) application fee within thirty (30) calendar days of the date of the final appellate decision.

AND BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that this Ordinance shall take effect upon final passage.


THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 26<sup>th</sup> day of September, 2011 and thereafter, a statement of the substance of the ordinance having been published as required by law, in the meantime, was finally passed by the Council on the 10<sup>th</sup> day of October, 2011.

ATTEST:

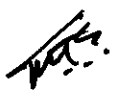
  
Brenda J. Colegrove, City Clerk

  
Terry E. Cohen, President of the  
Council of the City of Salisbury

Approved by me, this 11<sup>th</sup>  
day of October, 2011

  
James Preton, Jr.,  
Mayor of the City of Salisbury

# Memo

**To:** John R. Pick, City Administrator  
**From:** M. Thomas Stevenson, Director NSCC   
**Date:** September 21, 2011  
**Re:** Foreclosed Property Registry

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Attached please find a revised foreclosed property registry ordinance. Following a recent review of the legislation, this version adds paragraph (E) to section 15.21.040. This paragraph requires that a fee be collected for registration. An accompanying ordinance is included which will have the effect of establishing the registration fee.

Unless you have any questions please forward this memorandum to the Mayor for consideration.