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Baltimore City Building, Fire, and Related Codes

§ 121 Vacant Building Receivers

121.1 Scope. This §121 applies to a vacant building, as defined in §115.4, for which the owner has failed to comply with a notice or order to rehabilitate.

121.2 In general. The Building Official or an established community association or nonprofit housing corporation authorized by the Building Official to act as the building Official's agent may petition the court for appointment of a receiver to rehabilitate the property or to sell it to a qualified buyer.

121.3 Notice to owner and mortgagee. At least 10 days before filing the petition, the Building Official or Building Official's agent must serve on the owner and on any mortgagee of the property, in accordance with §123 of this Code:

- a. A notice of the petition for appointment of receiver, and
- b. A copy of the original violation notice or order to rehabilitate.

121.3.1 Effect of failure to serve mortgagee. The receiver's lien for rehabilitation expenses will not have priority over a previously recorded mortgage if:

- a. The recorded mortgage contains an address at which service can be effected on the mortgagee, and
- b. The mortgagee was not served with notice of the proceeding.

121.3.2 Filing with Bureau of Liens. The violation notice or order and the notice of the proceeding must also be filed with the Bureau of Liens. A record of these must be included in subsequent lien reports issued by the Bureau.

121.4 Named respondents. The petition for appointment of receiver must name as respondents:

- a. The owner of the property, and
- b. The plaintiff in any proceeding that was timely filed under State Tax-Property Article §14-833 {“Complaints to foreclose right of redemption”} and for which the time for securing a decree of foreclosure has not yet expired.

121.4.1 Effect of failure to name plaintiff in foreclosure. Failure to name a person described in §121.4b does not prevent the action from going forward, but does prevent the receiver’s lien for rehabilitation expenses from having priority over that person’s lien interest.

121.5 Contents of petition. The petition for appointment of receiver must include:

- a. A copy of the original violation notice and order to rehabilitate,
- b. Affirmation by affidavit that:
 - 1. Notice has been served on the owner and mortgagee in accordance with §§121.3 and 123, and
 - 2. The required rehabilitation has not been completed,
- c. A work write-up, with cost estimates, for the work needed to rehabilitate the property, and
- d. The identity and qualifications of the proposed receiver, if other than the Building Official.

121.6 Notice to judgment creditors and lien holders. After filing the petition and at least 30 days before any sale of the property, the Building Official or Building Official’s agent must give notice of the pendency and nature of the proceedings to all judgment creditors and lien holders with a recorded interest in the property.

121.6.1 Intervention. Within 30 days of the date on which the notice was mailed, a judgment creditor or lien holder may apply to intervene in the proceeding and to be appointed under §121.7.

121.6.2 Effect of failure to give notice. Failure to give notice to any person under this §121.6 does not prevent the action from going forward, but does prevent the receiver’s lien for rehabilitation expenses from having priority over that person’s lien interest.

121.7 Appointment of owner, etc., instead of receiver. Instead of appointing a receiver to rehabilitate or sell a vacant building, the court may permit an owner, mortgagee, or other person with an interest in the property to rehabilitate it, if that person:

- a. Demonstrates ability to complete the rehabilitation within a reasonable time,
- b. Agrees to comply with a specified schedule for rehabilitation, and
- c. Posts bond as security for performance of the required work in compliance with the specified schedule.

121.7.1 Application to dismiss owner. If it appears to the petitioner that the person permitted to do the rehabilitation is not proceeding with due diligence or in compliance with the court-ordered schedule, the petitioner may apply to the court for immediate revocation of that person's permission and appointment of a receiver. The bond posted under this section must be applied to the receiver's rehabilitation expenses.

121.8 Appointment of receiver. If no qualified person with an ownership interest requests appointment to rehabilitate the property, or if an appointee is dismissed, the court must appoint a receiver of the property for the purpose of rehabilitating and managing the property or selling it to a qualified buyer.

121.9 Powers of receiver appointed to rehabilitate. A receiver appointed to rehabilitate a vacant building, in addition to all necessary and customary powers, has the right of possession with authority to:

- a. Contract for necessary labor and supplies for rehabilitation,
- b. Borrow money for rehabilitation from an approved lending institution or through a government agency or program, using the receiver's lien against the property as security,
- c. Manage the property after rehabilitation, with all the powers of a landlord, for a period of up to 2 years and apply the rent received to current operating expenses and to repayment of outstanding rehabilitation expenses, and
- d. Foreclose on the receiver's lien or accept a deed in lieu of foreclosure.

121.10 Powers of receiver appointed to sell. A receiver appointed to sell a vacant building, in addition to all necessary and customary powers, has authority to:

- a. Sell the property to the high bidder at public auction, following the same presale notice provisions that apply to a foreclosure, or
- b. Sell the property privately for fair market value if the owner and mortgagee agree to the amount and procedure.

121.10.1 Notice of auction. In the notice of public auction, it is sufficient to describe the property by

a street address and by reference to the liber and folio number of the title deed recorded in the land records of Baltimore City.

121.10.2 Buyer qualifications. Before any sale, the bidders in a public sale or the buyer in a private sale must demonstrate the ability and experience needed to rehabilitate the property within a reasonable time.

121.10.3 Application of sale proceeds. After deducting the expenses of the sale, the receiver must apply the proceeds of the sale to the liens against the property, in order of priority.

121.11 Tenure and termination of appointment. The tenure of a receiver may extend no longer than 2 years after rehabilitation. Anytime after rehabilitation, an owner or mortgagee may file a motion to dismiss the receiver on payment of the receiver's outstanding costs, fees, and expenses.

121.12 Final accounting. At the end of his or her tenure, the receiver must file a final accounting with the court. The petitioner may request the court to award reasonable attorney's fees.

121.13 Receiver's lien for costs, etc. Any costs, fees, including attorney's fees, and expenses of rehabilitation that are still outstanding are a lien against the property in accordance with § 117 of this Code. The receiver's lien has priority over all other liens, except taxes and other government assessments.

121.13.1 Foreclosure of lien. A receiver may foreclose on the lien by a sale of the property at public auction, following 1 public notice and notice to interested parties in the manner of a mortgage foreclosure. After deducting the expenses of the sale, the receiver must apply the proceeds of the sale to the liens against the property, in order of priority. In lieu of foreclosure, an owner may pay the receiver's costs, fees, including attorney's fees, and expenses or may transfer all ownership in the property to either the receiver or an agreed-on third party for an amount agreed to be fair market value.

§ 113 Violations

113.3.1 Types of proceedings. Enforcement proceedings may include:

- a. Injunctive or other equity proceedings, including an action initiated by a code-enforcement-injunction citation under City Code Article 19, §71-3, or an action for appointment of a receiver under §121 of this Code,

113.5 Civil penalties and costs. In equity proceedings instituted under this Code:

- a. A violation for which equitable relief is sought is subject to a civil fine of not more than \$500

for each day that the violation continues unabated,

b. The defendant is liable for the plaintiff's enforcement costs and reasonable attorneys' fees, at the rate established by the Court of Appeals, whether or not the attorney is a salaried employee of the plaintiff, and

c. Judgment may be sought for outstanding liens imposed by the City on property subject to the proceeding and owned by the defendant.

§ 115 Unsafe Structures

115.4 Unsafe vacant structures. Every vacant structure, as defined in this §115.4, is declared to be a fire hazard and a nuisance per se, and must be safeguarded and otherwise maintained as required in this §115.4.

115.4.1 Definition. "Vacant structure" means an unoccupied structure that is unsafe or unfit for human habitation or other authorized use.

115.4.2 Determinations. A determination of vacancy and a determination of noncompliance with a notice or order issued under this section may be based on observation that a structure:

a. Is open to casual entry,

b. Has boarded windows or doors, or

c. Lacks intact window sashes, walls, or roof surfaces to repel weather entry.

Maryland Tax Property Code

§14-866: Duty to initiate action; compromise of claim

a. Duty to initiate suit. -- If a request is made under § 14-865 of this subtitle, the Attorney General or attorney requested to initiate an action shall initiate the action.

b. Compromise of claim. -- If the Attorney General and the Treasurer, or the collector, the chief fiscal officer, and the attorney of the county or municipal corporation agree that the full amount of the claim would be uncollectible, the Attorney General or attorney may:

(1) compromise the claim;

(2) accept a lesser amount on behalf of the collector or State Treasurer; and

(3) issue a release of the claim or satisfaction of the judgment.

Maryland Rules: Probate

Rule 6-422: Administration after final account - Newly discovered property.

(a) When new appointment not necessary. When property is discovered after an estate has been closed, a personal representative whose appointment has not been terminated pursuant to Rule 6-421 may file a supplemental inventory and an account.

(b) When new appointment necessary. If the appointment of the last serving personal representative has been terminated pursuant to Rule 6-421, or the personal representative is unable or unwilling to serve, an interested person may file with the court a petition to administer newly discovered property.

(c) Petition. A petition pursuant to this Rule shall contain a brief description of the property, the interest of the person filing the petition, the names and addresses of the interested persons, a brief statement of the anticipated disposition of the property, and a request for the appointment of a new personal representative. If the petition is not filed by the last serving personal representative, the petition shall include a brief statement of the reasons.

(d) Order. Upon the appointment of the same or a successor personal representative, the court shall order the posting of a bond as appropriate, shall issue letters of administration, and shall order the filing of a supplemental inventory and account.

(e) Notice. Notice of the appointment of a personal representative under this Rule is not required unless otherwise directed by the court.