

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 3 - 0
Yeas:	Krieger, Matthews, Riley, Smith J., Tomei, Holvey
Nays:	Gilliam, Whisnant, Wingard
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/4, 2/10

WHAT THE MEASURE DOES: Prohibits the owner of a foreclosed residential property from neglecting upkeep on the property during periods when the property is vacant. Exempts local governments that are owners of foreclosed properties. Permits local governments to assess a civil penalty of up to \$150 for each day for which the owner fails to remedy the conditions of neglect. Sunsets January 2, 2014. Declares an emergency and takes effect upon passage.

ISSUES DISCUSSED:

- Existing authority of local governments to assess penalties under nuisance ordinances
- Exemption of local governments that own foreclosed properties
- Potential amendment to add authority to place lien on property
- Length of time between notice from local government and imposition of civil penalty

EFFECT OF COMMITTEE AMENDMENT: Excludes local governments that foreclose on a property. Specifies that owner must contest the assessment within 10 days after notification of the assessment. Reduces maximum civil penalty from \$1,000 per day to \$150 per day.

BACKGROUND: Properties that are foreclosed and remain vacant can, over time, suffer from neglect that leads to a decrease in the value of the property itself and the surrounding neighborhood. House Bill 3657-A defines “neglect” as including failure to maintain buildings or grounds and allowing excessive foliage growth, trespassers or squatters, breeding of mosquitoes or other vectors, or other similar conditions. The measure stipulates that an owner of a foreclosed property may be fined by a local government, up to \$150 per day, until the deficiencies are addressed.

Some local governments currently have ordinances that allow them to impose similar fines. House Bill 3657-A does not pre-empt the ability of local governments that currently have the authority to impose fines from doing so; however, a local government may not impose fines under both a local ordinance and the measure for the same property.