

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**1998 Legislative Session**

Bill No. CB-105-1998

Chapter No. \_\_\_\_\_

Proposed and Presented by Council Members Hendershot and Wilson

Introduced by Council Members Hendershot, Wilson, and Del Giudice

Co-Sponsors \_\_\_\_\_

Date of Introduction October 6, 1998

**BILL**

1 AN ACT concerning

2 Housing Receivership

3 For the purpose of establishing authority and procedures for the Prince George's County Housing  
 4 Receivership Program.

5 BY adding:

6 SUBTITLE 13. HOUSING AND PROPERTY STANDARDS.

7 Sections 13-1001, 13-1002, 13-1003,

8 13-1004, 13-1005, 13-1006, 13-1007,

9 13-1008, 13-1009, 13-1010, 13-1011,

10 13-1012, and 13-1013,

11 The Prince George's County Code

12 (1995 Edition, 1997 Supplement).

13 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,  
 14 Maryland, that Sections 13-1001, 13-1002, 13-1003, 13-1004, 13-1005, 13-1006, 13-1007, 13-  
 15 1008, 13-1009, 13-1010, 13-1011, 13-1012, and 13-1013 of the Prince George's County Code be  
 16 and the same are hereby added:

17 SUBTITLE 13. HOUSING AND PROPERTY STANDARDS.

18 **DIVISION 10. HOUSING RECEIVERSHIP.**

19 **Sec. 13-1001. Purpose and scope.**

20 The purpose of this Division is to establish authority and procedures for the Prince George's  
 21 County Housing Receivership Program. This Division shall apply to all uses on residentially

1 zoned property and all residential uses.

2 **Sec. 13-1002. Definitions.**

3 (a) "Abatement" means the removal or correction, including demolition, of any condition  
 4 at a property that violates the provisions of this Code, as well as the making of such other  
 5 improvements or corrections as are needed to effect the rehabilitation of the property or  
 6 structure. Abatement does not include closing or sealing or other physical securing of the  
 7 structure.

8 (b) "Director" refers to the Director of the Department of Environmental Resources.

9 (c) "Interested party" means any person or entity that possesses any legal or equitable  
 10 interest of record in the property, including but not limited to, the holder of any lien or  
 11 encumbrance of record on the property.

12 (d) "Property" means real property and all improvements thereon including edifices,  
 13 structures, buildings, units or part thereof used or intended to be used for residential purposes,  
 14 including attached and detached single-family units, multi-family structures and mixed-use  
 15 structures which have one or more residential units.

16 **Sec. 13-1003. Authority.**

17 (a) When the Director finds residential property in violation of any code enforced by the  
 18 Department, and believes that violation is a threat to the public's health, safety or welfare, the  
 19 Director may apply to a court of competent jurisdiction for the appointment of a receiver to  
 20 perform an abatement.

21 (b) In administering the provisions of this Division, the Director's authority shall include,  
 22 but is not limited to:

23 (1) The identification of properties requiring abatement;

24 (2) The nomination of qualified receivers for consideration for selection by the  
 25 courts; and

26 (3) The establishment of written rules and procedures as are deemed necessary for the  
 27 administration of this Division.

28 **Sec. 13-1004. Identification of properties.**

29 (a) In identifying properties requiring abatement where the County may seek appointment  
 30 of a receiver, the Director shall consider those properties that have, at a minimum, the following  
 31 characteristics:

- (1) A violation of any provision that threatens the public health, safety or welfare;
- (2) The owner has not acted in a timely manner to correct the violations; and
- (3) Abatement of the violations on the property would further the County's housing priorities and policies.

**Sec. 13-1005. Notice to interested parties and application.**

(a) At least 30 days prior to the filing of an application for appointment of a receiver, the Director shall cause a notice to be sent by regular mail to all interested parties.

(b) The notice shall give the date upon which the County has the right to file with the court for the receiver, and in addition shall:

- (1) State the address and legal description of the property;
- (2) List the code violations which give rise to the proposed application; and
- (3) Give the name, address and telephone number of a person who can provide additional information concerning the violations and their remedy.

(c) If no interested party has taken any action to foreclose its security interest within 30 days of the date of the notice, the Director may thereafter apply to a court of competent jurisdiction for the appointment of a receiver.

(d) If, following the application for appointment of a receiver, one or more of the interested parties elects to correct the conditions at the property giving rise to the County's application for appointment of a receiver, the interested party shall be required to post security in an amount and character as the court deems appropriate to effect the timely completion of the abatement by the interested party.

**Sec. 13-1006. Nomination of receivers.**

(a) The Director shall identify and nominate one or more qualified receivers for appointment by the court. Receivers may include the Redevelopment Authority of Prince George's County, the Prince George's County Housing Authority, the Community Standards Division of the Department, an urban renewal agency, or a private not-for-profit corporation, the primary purpose of which is the improvement of housing conditions within the County. The Director shall evaluate, at minimum, the following criteria:

- (1) The location of the property relative to other properties owned or managed by the receiver;
- (2) The receiver's experience in abating similar violations and rehabilitating similar

1 types of property;

2 (3) The receiver's capacity to perform the abatement.

3 **Sec. 13-1007. Power of a receiver.**

4 (a) A receiver appointed by the court shall have the authority to do any or all of the  
5 following, as specifically limited by the court:

6 (1) Take possession and control of the property, including the right to enter, modify  
7 and terminate tenancies, and to charge and collect rents and apply rents collected to the costs  
8 incurred due to the receivership.

9 (2) Negotiate contracts and pay all expenses associated with the operation and  
10 conservation of the property, including, but not limited to all utility, fuel, custodial, repair, and  
11 insurance costs.

12 (3) Pay all accrued property taxes, penalties, assessments, and other charges imposed  
13 on the property by a unit of government, as well as any charge of like nature accruing during the  
14 period of the receivership.

15 (4) Dispose of all abandoned personal property found on the property.

16 (5) Enter into contracts and pay for the performance of any work necessary to  
17 complete the abatement.

18 (6) Enter into financing agreements with public or private lenders and encumber the  
19 property so as to have monies available to correct the conditions at the property giving rise to the  
20 abatement.

21 (7) Charge an administrative fee at an hourly rate approved by the court not to exceed  
22 15 percent of the total cost of abatement, as the court deems appropriate.

23 **Sec. 13-1008. Plan and estimate.**

24 Within 30 days after appointment by the court, a receiver shall submit to the court and the  
25 Director a written plan for the abatement. The Director shall approve the plan and provide notice  
26 of such approval to the court before the receiver commences work on the abatement.

27 **Sec. 13-1009. Record keeping.**

28 The receiver shall keep a record of all monies received and expended and all costs and  
29 obligations incurred in performing the abatement and managing the property. Records shall be  
30 kept in a form as shall be agreed upon by the receiver and the Director, and copies shall be  
31 provided to the Director monthly or more frequently upon request.

**Sec. 13-1010. Purchasing.**

All abatement work done under this Division is exempt from the purchasing and contracting provisions of Subtitle 10A of this Code.

**Sec. 13-1011. Review of abatement expenditures by court; lien for unpaid expenses.**

(a) All monies expended and all costs and obligations incurred by the receiver in performing the abatement shall be reviewed by the court for reasonableness and their necessity in performing the abatement. To the extent that the court finds the monies, costs, or obligations, to be reasonable and necessary, the court shall issue an order certifying this fact as well as the amount found to be reasonable and necessary.

(b) If the costs and obligations incurred due to the abatement have not been paid by an interested party, the order of the court shall be filed with the County Director of Finance within 30 days of its entry by the court and shall thereafter constitute a lien on the property.

**Sec. 13-1012. Foreclosure.**

In the event that the lien created pursuant to the terms of this Division and the Prince George's County Housing Receivership Program is not paid in a timely fashion, the receiver or their assignee or other successor in interest may bring a suit or action in foreclosure as provided for by law.

**Sec. 13-1013. Termination of receivership.**

(a) The receivership authorized pursuant to the terms of this Division shall terminate only by an order of the court after a showing by an interested party or the receiver that:

- (1) The abatement has been completed;
- (2) The costs and obligations incurred due to the abatement have been paid by an interested party or a lien has been filed pursuant to Section 13-1011 of this Division; and
- (3) The interested party will manage the property in conformance with the applicable provisions of this Code.

SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45) calendar days after it becomes law.

Adopted this 28th day of October, 1998.

COUNTY COUNCIL OF PRINCE  
GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
Ronald V. Russell  
Chairman

ATTEST:

\_\_\_\_\_  
Joyce T. Sweeney  
Clerk of the Council

APPROVED:

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
Wayne K. Curry  
County Executive

KEY:  
Underscoring indicates language added to existing law.