



Legislation Text

File #: 100375, Version: 2

100375
SUBSTITUTE 2

..Sponsor

ALD. MURPHY, BAUMAN, WADE, AND COGGS

A substitute ordinance relating to the registration and maintenance of properties involved in foreclosure actions.

200-22.5-0	am
200-22.5-1	rc
200-22.5-1.5	cr
200-22.5-2.5	cr
200-22.5-4	rc
200-22.5-4.5	cr
200-22.5-5-a-0	am
200-22.5-5-e	rc
200-33-47	am

This ordinance amends current registration requirements for abandoned properties pending foreclosure to require registration of all residential properties upon filing with the court of the foreclosure proceedings against residential properties. The registration is dissolved and the responsibilities of the registrant under this section cease upon receipt by the commissioner of neighborhood services of written evidence of a sale in foreclosure, redemption of the property by the lien holder, other transfer of the lien holder's interest or release of the lien holder's interest in the property through vacating the lis pendens. This ordinance also requires that a registrant, registrant's agent or servicing company post a sign on or adjacent to all entrances to the building identifying the registrant, and if applicable, the person responsible for the purpose of service of process, contact information, and prohibiting trespassing upon the property. The fee for registering a residential property in foreclosure is increased from \$35 to \$250, and the fee for failure to register within 5 days of initiation of foreclosure proceedings increases from \$10 to \$25.

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 200-22.5-0 of the code is amended to read:

200-22.5. ~~[[Maintenance of Abandoned]]~~ >>Registration of<< Residential Properties Pending Foreclosure.

Part 2. Section 200-22.5-1 of the code is repealed and recreated to read:

1. FINDINGS. The common council finds that a significant relationship exists between properties in the foreclosure process, abandoned buildings and increased calls for police services, higher incidence of fires, both accidental and intentional, and decline and disinvestment in neighborhoods. Residential property owners involved in foreclosure proceedings have less incentive to maintain their

properties, and properties in foreclosure proceedings have a higher incidence of building code violations than properties not in foreclosure proceedings. Abandoned buildings become havens for vandalism, arson and drug crimes, representing not only a drain of valuable governmental resources, but also creating a significant reduction of the quality of life for the surrounding neighborhood. Registration, inspection and aggressive monitoring of properties in the foreclosure process helps stabilize and improve impacted neighborhoods, and aids in the development of code enforcement efforts as well as public safety. The common council further finds that a foreclosing entity or entity functioning as a trustee of a foreclosing entity that does not register, permit inspection, insure, secure and maintain an abandoned building places an undue and inappropriate burden on the taxpayers of the city and poses an increased risk to public safety.

Part 3. Section 200-22.5-1.5 of the code is created to read:

1.5. PURPOSE AND SCOPE. The purpose of this section is to establish a registration program to monitor residential properties pending foreclosure to identify at-risk properties and to regulate the maintenance of abandoned residential properties by parties asserting a collateral or other legal or equitable interest in the properties. This section is intended to reduce and prevent neighborhood blight, to ameliorate conditions that threaten the health, safety and welfare of the public, to promote neighborhood stability and residential owner occupancy by preserving the condition and appearance of residential properties, and to maintain residential property values and assessments. It is declared a matter of public policy and an exercise of the city's police power, that entities initiating foreclosure proceedings against a residential property are required to register with the city. This registration process will give city agencies the means of contacting those responsible for the upkeep and maintenance of these properties and the tools needed to ensure the properties are secured and maintained. The purpose of the fee is to partially recover the costs of monitoring properties in foreclosure so as to prevent them from becoming a blighting influence upon the community. Nothing in this section shall be construed as waiving, relieving or otherwise excusing an owner of residential property from compliance with all applicable building codes and ordinances, and the owner or owners shall at all times remain responsible and liable therefore. Nothing in this section is intended to affect the right to foreclose as provided by state law.

Part 4. Section 200-22.5-2.5 of the code is created to read:

2.5. REGISTRATION OF RESIDENTIAL PROPERTY. a. Upon filing with the court of the foreclosure proceedings against a residential property, the bank, lender, other financial institution or its responsible agent or servicing company or other foreclosing entity, shall register the property in the name of the lien holder with the commissioner on a form prescribed by the commissioner that includes information identifying the location of the property, the last known owner or owners of the property, the date foreclosure proceedings were commenced and the docket number of the foreclosure action

b. Registration of property shall be made within 5 working days of initiation of the foreclosure proceedings. The fee for registration of residential property pending foreclosure is provided in s. 200-33-47-a. If the registration form is filed 6 or more days after initiation of the foreclosure proceedings, or the registration fee is not received within 7 days of receipt of the registration form, a late fee shall be charged as provided in s. 200-33-47-b. The registration form and fee may be transmitted electronically or by any other means to be determined by the commissioner. The registration shall be valid from the date the registration form is completed and filed with the commissioner, and the registration fee, including any late fees, is received by the commissioner.

c. Residential property in foreclosure proceedings for which the proceedings were initiated within 6 months prior to the effective date of this ordinance, April 29, 2011, shall comply with this section within 30 days of the effective date of the ordinance. Residential property in foreclosure proceedings for which the proceedings were initiated before 6 months prior to the effective date of this ordinance shall require periodic inspection of the property as required under sub. 3, and if the property is abandoned, the property shall be registered as provided under this section.

d. The registration shall be dissolved and the responsibilities of the registrant under this section shall cease upon receipt by the commissioner of written evidence of a sale in foreclosure, redemption of the property by the lien holder, other transfer of the lien holder's interest or release of the lien holder's interest in the property through vacating the lis pendens.

Part 5. Section 200-22.5-4 of the code is repealed and recreated to read:

4. NOTIFICATION OF ABANDONED RESIDENTIAL PROPERTY. If, inspection of the residential property required under sub. 3 shows the property is abandoned, the filing parties shall notify the commissioner of the abandoned state of the property on a form prescribed by the commissioner that includes a description of the external condition of the property and whether there is an accessible structure on the property. The notification form shall identify the agent or servicing company, if any, that is authorized by the filing party to enter upon the property and to conduct repairs or maintenance as required in sub. 5-a.

Part 6. Section 200-22.5-4.5 of the code is created to read:

4.5. EXEMPTIONS. The following are exempt from the provisions of this section:

- a. Properties only in proceedings for the foreclosure of tax liens by an action in rem.
- b. Residential condominium units.

Part 7. Section 200-22.5-5-a-0 of the code is amended to read:

5. REGISTRANT DUTIES. a. The property maintenance duties of a registrant >>with an abandoned residential property<< are limited to the following:

Part 8. Section 200-22.5-5-e of the code is repealed and recreated to read:

e. A registrant, registrant's agent or servicing company shall, upon receiving information that the property is abandoned, post a sign affixed to the building indicating the name, address and telephone number of the registrant, and if applicable, the person responsible for the purpose of service of process. The name, address and telephone number of a person responsible for day-to-day supervision and management of the building for the filing entity, if the person is different from the registrant or authorized agent, shall be indicated on the sign as well. This person shall reside within the 7-county area as identified in s. 200-51.5-2-j. The sign shall also state that no trespassing is allowed upon the premises without consent of the registrant or the registrant's agent. The sign shall be placed on or adjacent to all entrances to the building. The sign shall be maintained until the building is no longer vacant.

Part 9. Section 200-33-47 of the code is amended to read:

200-33. Fees

47. REGISTRATION OF ~~[[ABANDONED]]~~ RESIDENTIAL PROPERTY >>PENDING FORECLOSURE<<. a. The fee for registration of ~~[[an abandoned]]~~ >>a<< residential property >>pending foreclosure<<required by s. ~~[[200-22.5-4]]~~ >>200-22.5-2.5<< shall be ~~[[\\$35]]~~ >>\\$250<<. b. If a completed registration form is not received by the commissioner within 5 days of ~~[[inspection and a determination of abandonment of residential property]]~~ >>initiation of the foreclosure proceedings<<, or if the registration fee required in par. a is not received by the commissioner within 7 days of receipt of the registration form, there shall be an additional late fee of ~~[[\\$40]]~~ >>\\$25<<.

APPROVED AS TO FORM

Legislative Reference Bureau
Date: _____

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney
Date: _____

LRB10340-4
Rich Watt
4/4/11