



Vacant Housing Strategy Legislative Initiatives

Update to County Council
March 27, 2018



Vacant Premises Example

- 7 Elk Lane – District 5
- Outstanding Mortgage
- Added to Vacant Property Inventory – 12/6/2017
- Inspected 48 times
- Code Fees: \$11,650
- Unpaid taxes: 0



Vacant Premises Example



- 37 Denham Ave.
- Vacant since 2011; no mortgage
- Added to Vacant Property Inventory in 1/21/2016
- Inspected 20 times
- Code Fees: \$5,966.30
- Unpaid taxes: \$2841 (County); \$3145 (School)
- Hearing held 2/7/2018 with decision issued same day
- Directive: Register property within 10 days or Department will register and assess \$1,000.00 fee





Vacant Housing Strategy



1012 Caldwell Corner Road (District 6)
Code Enforcement Liens: \$12,819
Code Enforcement involved since 2008
Taxes owed: \$8,761 (County)
\$18,363 (School)



Vacant Housing Strategy: Legislative Initiatives



2014 Initial Vacant Premises
Registration Ordinance

2017 Revised Vacant
Premises Registration
Ordinance

2017 HB 187, HB 188
General Assembly Vacant
Housing Legislation

2017/2018 Executive Orders
Monition, Prioritization of
Monitions, Acquisition &
Disposition policies

Bidder
Prequalification
Ordinance

Code Enforcement
Fee Collection
Ordinance

Monition Fee
Ordinance

Sheriff's Fee
Ordinance

Consolidated
Enforcement Code
Ordinance

Bidder Prequalification Ordinance



- Assists the County's Vacant Housing Strategy.
- Helps ensure that vacant properties that are taken to tax sale will be purchased by a new owner who intends to return the property to productive use.
- If a bidder at a tax sale is delinquent in taxes and has code violations on other properties within the County, it is not likely that they intend to invest in and improve the condition of additional property they acquire.

2412 Overlook Drive (District 2)
Code Enforcement Liens: \$14,720.13
Code Enforcement involved since 2005
Taxes owed: \$13,037.72 (County)
\$11,943.89 (School)



Bidder Prequalification Ordinance



- State enabling legislation (HB187) passed unanimously on June 30, 2017.
- Prohibit bidders who have a record of failing to maintain other property.
- Requires bidders at tax sales to certify before bidding that they do not:
 - Have outstanding liens owed to governmental entities in excess of \$1,000 at such other property.
 - Hold properties that have been vacant for 18 consecutive months unless there is active construction on the property.

Code Enforcement Fee (CEF) Collection Ordinance



- State enabling legislation (HB1 88) passed unanimously on June 30, 2017.
- Increases accountability of owners of vacant property by shifting true cost of vacancy on the property owner or the mortgagee.
- Gives local governments the ability to recoup CEFs associated with enforcement of codes relating to the condition of real property and the costs of maintenance of the property.

440 Boyds Corner Road (District 12)
Code Enforcement Liens: \$14,079
Code Enforcement involved since 2004
Taxes owed: \$1945 (County)
\$2858 (School)



Code Enforcement Fee Collection Ordinance Fines, Civil Penalties, and Fees



- Currently, the County moves only certain code enforcement civil penalties (tickets) to the property tax bill. This is done annually and after filing a certificate of lien.
- Ordinance would enable the County to move CEFs to the tax bill without filing a lien and add two items to the tax bill:
 - Vacant property registration fees and fines.
 - Rule to Show Cause Hearing fees and fines.
- Only final and non–appealable CEFs will be transferred to the tax bill. Will be moved first to parcel search database until moved to tax bill.

409 Anderson Drive (District 10)
Code Enforcement Liens: \$16,688
Code Enforcement involved since 2007
Taxes owed: \$1688 (County)
\$2,778 (School)



Code Enforcement Fee Collection Ordinance Abatements



- Current law allows the costs of property maintenance code abatements to be moved to the tax bill after filing a certificate of lien. This has not changed.
- Abatements for other provisions (zoning, building, etc.) can now be moved to tax bill.
- Abatements will only be moved for registered vacant premises and commercial properties.
- Abatement liens for occupied dwellings will not be moved to the tax bill.

1105 Yellowstone Drive (District 11)
Code Enforcement Liens: \$12,001
Code Enforcement involved since 2003
Taxes owed: \$3,764 (County)
\$2,887 (School)



Code Enforcement Fee Collection Ordinance Safeguards



- Focuses on Vacant Premises.
- Includes Good Cause Language
 - CFO can remove CFEs from tax bill for Good Cause.



48 S. Cannon Drive (District 8)
Code Enforcement Liens: \$12,644
Code Enforcement involved since 2000
Taxes owed: \$7,097 (County)
\$6,843 (School)



Monition Fee Ordinance

Target: April or May introduction

- Conducted a comprehensive review of monition process as part of the Vacant Housing Strategy.
- Majority of collection fees under NCC §14.02.005(A) have not been updated since 1998.
- Proposed amendments to NCC §14.02.005 will:
 - Tailor the collection fees for the monition process.
 - Capture the true cost of a monition proceeding, including in-house attorney time.
 - Enable NCC to collect reasonable attorneys' fees for cases referred to outside counsel.
 - Place cost of monition proceeding on the property in question instead of other taxpayers.



12 Darlington Road (District 7)
Code Enforcement Liens: \$25,702
Code Enforcement involved since 1998
Taxes owed: \$0

Sheriff's Fee Ordinance

Target: May introduction



- Working with Sheriff's Office to review Section 2.03.005.
- Administrative streamline initiative – Sheriff charges a fee to New Castle County which is then repaid to the County.
- Exempt the 4% Sheriff's Sale fee on tax sale parcels "bought back" by the County (to eliminate cross charge).



7506 Lancaster Pike (District 3)
Registered Vacant Lot
Code Enforcement Liens: \$40,085
Code Enforcement involved since 2010
Taxes owed: \$0

Consolidated Enforcement Code Ordinance

Target: June introduction



- Consolidate all enforcement provisions into one enforcement chapter.
- Streamline process for efficient administration and enforcement.
- Provide additional mechanisms to ensure adequate due process is provided at every stage of review.
- Update appeal procedures before the License and Inspection Review Board.



302 Stanton Road (District 9)
Code Enforcement Liens: \$35,775
Code Enforcement involved since 1998
Taxes owed: \$2,246 (County)
\$4,293 (School)

Vacant Housing Strategy Legislative Timeline



April 2018

- Code Enforcement Fee Collection Ordinance
- Bidder Prequalification Ordinance

May 2018

- Monition Fee Ordinance
- Sheriff's Fee Ordinance



1901 W. Newport Pike (District 1)
Code Enforcement Liens: \$3,099
Code Enforcement involved since 2011
Taxes owed: \$2,395 (County)
\$7,299 (School)

June 2018

- Consolidated Enforcement Code Ordinance