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DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 311

AN ACT TO AMEND TITLE 25 AND TITLE 31 OF THE DELAWARE CODE RELATING TO UNIMPROVED OR
VACANT REAL PROPERTY SOLD AT SHERIFF'S SALE IN A BUNDLE OR TO A LAND BANK.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend Chapter 29, Title 25 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 § 2907. Bundling of unimproved or vacant real property to be sold at sheriff's sale by writ of venditioni exponas.

4 (a) If this State or a political subdivision of this State files a writ of venditioni exponas on unimproved or vacant
5 real property due to an outstanding lien or judgment, the real property may be sold at sheriff's sale as part of a bundle of
6 other real property for which this State or the political subdivision of this State has filed a writ of venditioni exponas for
7 outstanding liens or judgments owed to this State or the political subdivision of this State.

8 (b) A presumption that real property is vacant may be established by one of the following:

9 (1) Through the registration of the real property as a vacant property within the records of this State or a
10 political subdivision of this State.

11 (2) The submission of an affidavit attesting to the vacancy by a law enforcement officer, building inspector, or
12 other government employee having jurisdiction over the real property.

13 (c) If this State or a political subdivision of this State intends to bundle and sell at sheriff's sale real property under
14 this section and the real property comprising the bundle is not owned by the same record owner, this State or the political
15 subdivision of this State shall provide notice to each record owner of the real property comprising the bundle at least 7 days
16 before the applicable sheriff's sale that identifies all of the following regarding each parcel of real property to be included
17 in the bundle:

18 (1) The record owner.

19 (2) The address.

20 (3) The tax parcel number.

21 (4) The assessed value.

(d) The notice under subsection (c) of this section is not required if all of the real property to be included in a bundle is owned by the same record owner.

(e) The proceeds of any sheriff's sale of bundled real property must be allocated among the tax parcels comprising the bundled real property on a pro rata basis in accordance with the assessed value of each of the parcels comprising the bundle. The allocated sale amount is deemed to be the sale amount for the tax parcel as a result of the sheriff's sale.

Section 2. Amend § 4712, Title 31 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 4712. Delinquent property enforcement.

(d) Final apex bids by land bank permitted. -

(1) For purposes of this section, "final apex bid" means a bid by the land bank equal to the sum of the outstanding balance of all valid liens or judgments on the applicable real property that are of record in the proper office 5 days before the date of the public sale.

(2) For purposes of calculating the amount of a final apex bid, the land bank may assume that the outstanding balance of any loan secured by a mortgage recorded against the applicable real property does not exceed the maximum amount secured by the mortgage.

(3) Notwithstanding any other provision of law to the contrary, if unimproved or vacant real property is to be submitted to public sale by the County sheriff for an outstanding lien or judgment, the land bank may do one of the following at the sale:

a. Bid along with any other member of the public.

b. Assert a final apex bid.

(4) If the land bank asserts a final apex bid at a public sale and identifies the bid as a final apex bid, the real property is deemed sold to the land bank for the amount of the final apex bid regardless of any prior or subsequent bids by any other third parties.

(5) A presumption that real property is vacant may be established by one of the following:

a. Through the registration of the real property as a vacant property within the records of this State or a political subdivision of this State.

b. The submission of an affidavit attesting to the vacancy by a law enforcement officer, building inspector, or other government employee having jurisdiction over the real property.

50 (e) Redemption by owner. - The owner of real property sold by a final apex bid, or the owner's legal
51 representatives, may redeem the real property at any time within 60 days from the day the sale of the real property is
52 approved by the Court, by paying to the land bank the amount of the final apex bid.

SYNOPSIS

This Act does the following:

(1) Authorizes the bundling of unimproved or vacant real property for sale at sheriff's sale by this State or any political subdivision when the real property is subject to a writ of venditioni exponas filed by this State or a political subdivision due to an outstanding lien or judgement.

(2) Authorizes a land bank to acquire unimproved or vacant real property at sheriff's sale by submitting a final apex bid in the amount of the outstanding liens or judgements that are of record 5 days before the date of the sheriff sale, which has the effect of ending a sheriff's sale and selling the real property at issue to the land bank. The owner can redeem the real property by paying the land bank the amount of the final apex bid within 60 days of the approval of the sale to the land bank.

Author: Senator Townsend