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**BALTIMORE CITY COUNCIL  
WAYS AND MEANS  
COMMITTEE**

*Mission Statement*

*The Committee on Ways and Means (WM)* is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello  
Chairman**

**PUBLIC HEARING**

**Tuesday, September 24, 2024  
10:00 AM**

**COUNCIL CHAMBERS**

**Council Bill #24-0228K**

**Informational Hearing - Vendor Lien Program**

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**BILL SYNOPSIS**

**Committee: Ways and Means**

**Resolution: 24-0228R**

**Informational Hearing – Vendor Lien Program**

*Sponsor: President Mosby*

*Introduced: August 26, 2024*

**For the purpose** of inviting representatives from the Office of the Comptroller, representatives from the Department of Real Estate, and the City Solicitor to report on the Baltimore City Vendor Lien Program and provide additional information as requested by the Committee.

**Agency Reports**

Law	None as of this writing
Department of Real Estate	None as of this writing
Department of Finance	None as of this writing
Office of the Comptroller	None as of this writing

**Analysis**

**Background**

The Baltimore City Vendor Lien Program, situated in the Department of Real Estate (DORE), allows DORE to sell tax certificates, unsold from the City’s May annual Tax Sale, at a reduced rate when the accumulated liens on the property are greater than the property’s assessed value. The purchase price is either the assessed value of the property or the combined amount of the flat tax and water lien – whichever amount is greater. This program allows the City to recoup some of its costs and dispose of the tax certificate while allowing a private buyer to purchase the property and return it to productive use.

In the Summer of 2023, the program was paused so that DORE could research the program’s effectiveness and efficiency. Since then, DORE has evaluated the program and drafted a new Vendor Lien Sales Agreement and new measurement and evaluation tools. On September 24th at 10 AM, DORE will

present some of its research findings and seek input from the council members on its new Vendor Lien Sales Agreement and M&E tools.

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### **Additional Information**

**Fiscal Note:** None.

**Information Source(s):** 24-0228R, Baltimore City Code, and all agency reports received as of this writing.

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Analysis by: Niya N. Garrett  
Analysis Date: September 19, 2024

Direct Inquiries to (410) 396-1268

**CITY OF BALTIMORE  
COUNCIL BILL 24-0228R  
(Resolution)**

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Introduced by: The Council President  
At the request of: Office of the Comptroller  
Introduced and read first time: August 26, 2024  
Assigned to: Ways and Means Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Office of the Comptroller, Department of Real Estate

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A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing — Vendor Lien Program**

3 FOR the purpose of inviting representatives from the Office of the Comptroller, representatives  
4 from the Department of Real Estate, and the City Solicitor to report on the Baltimore City  
5 Vendor Lien Program and provide additional information as requested by the Committee.

6 **Recitals**

7 **WHEREAS**, pursuant to Title 14, Subtitle 8 of the Tax – Property Article of the Annotated  
8 Code of Maryland, the City may place a lien on a property for the non-payment of certain  
9 municipal charges, including but not limited to real estate property taxes, municipal water fees,  
10 and other taxes (collectively a “Lien”).

11 **WHEREAS**, the City may generate a tax sale certificate (“Certificate”), as defined by the State  
12 Tax – Property Article, § 14-820, which grants the holder the right to foreclose upon a property.

13 **WHEREAS**, the City offers Certificates for sale at an annual public auction.

14 **WHEREAS**, those Certificates that fail to garner any qualified bids are purchased by the  
15 Mayor and City Council of Baltimore.

16 **WHEREAS**, the Comptroller is empowered by City Code Article 28, Subtitle 8, to offer for  
17 resale Certificates held by the City.

18 **WHEREAS**, the City Vendor Lien Program, as administered by the Department of Real Estate,  
19 makes available certain Certificates for sale in a manner that makes properties more attractive for  
20 redevelopment with a sale amount that is less than the aggregate sum of the outstanding liens on  
21 a property and the assessed value of a property.

22 **WHEREAS**, the Department of Real Estate has proposed a new standard Vendor Lien  
23 Agreement of Sale that represents a significant update to the Program, by promoting property  
24 rehabilitation and compliance while protecting the City’s interests and ensuring that purchasers  
25 fulfill their obligations under the agreement.

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

**Council Bill 24-0228R**

1       **WHEREAS**, the City Council recognizes the importance of transparency and due diligence in  
2 the implementation of the Vendor Lien Program and seeks to understand the implications of the  
3 new proposed Agreement of Sale on the City’s real estate market and community development  
4 efforts.

5       **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the City  
6 Council invites representatives from the Office of the Comptroller, representatives from the  
7 Department of Real Estate, and the City Solicitor to report on the Baltimore City Vendor Lien  
8 Program and provide additional information as requested by the Committee.

9       **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Comptroller,  
10 the Director of the Department of Real Estate, the City Solicitor, and the Mayor’s Legislative  
11 Liaison to the City Council.