

FROM

NAME & TITLE	Rudolph S. Chow, P.E., Director
AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building
SUBJECT	CITY COUNCIL BILL 18-0195

CITY of
BALTIMORE
MEMO



DATE: March 15, 2018

TO

The Honorable President and Members
of the Baltimore City Council
c/o Natawna Austin
Room 400 – City Hall

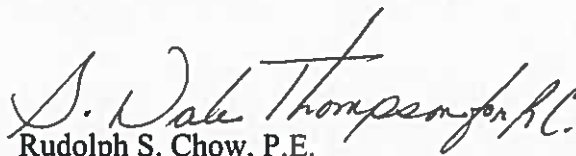
I am herein reporting on City Council Bill 18-0195, introduced by Council President Young at the request of the Administration (Department of Finance). The purpose of this legislation is to clarify the description of priorities to which surcharge payments received under the PACE Loan Program must be credited.

The Property Assessed Clean Energy Loan Program ("PACE Loan Program") was established by Ordinance 16-533 to assist qualifying commercial property owners to finance energy improvements through non-accelerating PACE loans from participating private lenders. The program authorizes the City to collect PACE Loan payments owed to a private lender through a surcharge on the property owner's real property tax bill. It provides that any unpaid surcharge constitutes a lien on the real property, and it provides terms for disbursement, repayment priority, delinquency, and other procedures.

This program is authorized by the State Property Tax article. The City Code references sections of this Enabling Law, including §14-801 which provides the definition of "tax," among other definitions. In 2015, the General Assembly passed House Bill 1035, which was subsequently signed by the Governor and became law. This legislation added a definition of "owner-occupied residential property" to §14-801, which resulted in a re-ordering of the definitions. The referenced definition of "tax" is no longer §14-801 (c) as cited in the City Code but is now §14-801 (d). City Council Bill 18-0195, if enacted, would correct this citation to State Law in the City Code.

Based on these findings, the Department of Public Works supports City Council Bill 18-0195.

Sincerely,


Rudolph S. Chow, P.E.
Director

RSC/KTO