

Andrew Kleine

FROM	NAME & TITLE	Andrew W. Kleine, Budget Chief
	AGENCY NAME & ADDRESS	Department of Finance Room 432 City Hall (396-4941)
	SUBJECT	City Council Bill No. 08-0213 – Vacant Lot Registration - Exemption

CITY of
BALTIMORE
MEMO



TO Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

DATE: October 21, 2008

Current law requires that the owner of a vacant lot with an assessment value higher than \$100 must register the lot and pay an annual registration fee of \$25, with a \$5,000 maximum charge for any single owner. Only governmental entities are exempt for paying the vacant lot registration fee.

City Council Bill 08-0213 proposes to exempt from the registration fee vacant lots adjoined to a non-vacant lot titled to the same owner of record, lots used for parking by a nearby property owner, and lots that extend into Baltimore County.

Fiscal Impact

- According to the Bureau of Revenue Collections (BRC), in the 2007-08 cycle, 4,400 vacant lots were registered, generating \$110,000 in fees.
- This bill would potentially exempt 3,300 lots. These are lots identified by BRC as having the same owner as an occupied lot on the same block.
- The proposed exemptions would cost the City as much as \$82,500 in lost registration fees.

Analysis

The vacant lot registration fee is a General Fund revenue source that helps to offset the City's costs associated with code enforcement efforts and management of vacant property. Given its challenging budget situation, the City cannot afford to eliminate revenue sources.

Finance Department Position

The Finance Department is opposed to Council Bill 08-0213.

Pursuant to the recommendations of the Blue Ribbon Committee on Taxes and Fees, the Administration is currently studying options for a more aggressive vacant property strategy, including a new fee structure. The Department requests that the City Council defer consideration of any changes to the vacant lot registration fee until the Administration has presented its proposed new strategy.

cc: Edward Gallagher
Angela Gibson
Pedro Aponte

