



BILL SYNOPSIS

Committee: Economic and Community Development

City Council Resolution: 21-0065R

Investigative Hearing - Vacant Residential Properties - Requirement for Homeowners Insurance

Sponsor: Councilmember Burnett

Introduced: October 4, 2021

Purpose:

For the purpose of inviting the Director of the Department of Housing and Community Development, the City Administrator, the City Solicitor, the Maryland Insurance Commissioner, the Baltimore City Comptroller, and the President and CEO of the Baltimore Development Corporation to testify regarding requiring owners of vacant residential properties to obtain homeowners insurance.

Agency Reports

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| City Solicitor | Favorable |
| Baltimore City Administrator | |
| Department of Housing and Community Development | |
| Baltimore Development Corporation | No Objection |
| Office of the Comptroller | No Objection |

Analysis

Background

Bill 21-0065R invites representatives from the Director of the Department of Housing and Community Development, the City Administrator, the City Solicitor, the Maryland Insurance Commissioner, the Baltimore City Comptroller, and the President and CEO of the Baltimore Development Corporation to testify regarding requiring owners of vacant residential properties to obtain homeowners insurance.

The *Building, Fire and Related Codes of Baltimore City* define a vacant structure as one which is unoccupied and either unsafe or unfit for human habitation or other authorized use, or is a nuisance property (*Section 116.4.1.2*). A property cited as “vacant” as a result of a violation notice is considered to be abandoned or in need of substantial repair. A vacant structure may not be re-occupied until the vacant violation notice has been abated and an occupancy permit has been issued.

Currently, Baltimore has an estimated 15,000+ vacant homes that contribute to crime and grime. In recent years the City has taken actions (which includes demolitions) to remedy a number of vacancies, however, many more new vacancies have been reported.

Many mortgage holders require homeowner’s insurance for the term of the loan. A standard homeowner’s insurance policy may contain the following types of coverage:

- property damage
- liability
- medical payments
- for other structures on the property including trees and shrubbery and debris removal

If a home has been vacant for a certain period of time, however, some insurance companies may not offer the same type of insurance coverage. If vacant homeowners’ insurance is provided, the policy may include coverage for perils like fire, explosions, lightning, wind and hail, etc. Acts of theft and vandalism may also be covered.

Additional Information

Fiscal Note: Not Available

Information Source(s): *Building, Fire and Related Codes of Baltimore City (2020 Edition)*; Bill 21-0065R

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