

**CITY OF BALTIMORE**  
**COUNCIL BILL 14-0175R**  
**(Resolution)**

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Introduced by: Councilmembers Henry, Scott, Branch, Stokes, President Young,  
Councilmembers Clarke, Spector, Middleton, Curran, Mosby, Holton  
Introduced and read first time: June 2, 2014  
Assigned to: Housing and Community Development Committee

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A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Request for State Legislation - Prompt Recordation of Bank Foreclosure Deeds**

3 FOR the purpose of requesting the Honorable Chair and Members of the Baltimore City Senate  
4 and House Delegations to the Maryland General Assembly to introduce legislation to require  
5 that banks promptly record the deeds to properties purchased at foreclosure auctions.

6 **Recitals**

7 In the current trying economy, foreclosure auctions have become an all too common  
8 occurrence. Many times, when banks force these auctions they find that the slow housing market  
9 means that there are no competitive bidders for the foreclosed properties. Banks often will then  
10 purchase the properties themselves and leave them to sit vacant hoping that they will have more  
11 value at a later date.

12 When banks have essentially purchased these properties from themselves, with no immediate  
13 plans to make use of them in any way, a strong temptation exists to avoid the payment of  
14 recordation taxes by refusing to formally record the deed to the property until a sale of the  
15 property seems likely. This inordinate delay in recording the deeds makes an already difficult  
16 situation for the community at large even worse than it otherwise would be. State and local  
17 governments are robbed of revenue through precisely the period when an additional vacant  
18 structure is imposing a heavier burden on government services and displaced former owners may  
19 need the most assistance.

20 The inability of authorities to quickly determine the true owner of these vacant properties also  
21 undermines efforts to ensure that the property is kept up in accordance with local requirements  
22 and does not become a source of blight for the surrounding neighborhood. Officials charged with  
23 keeping properties from deteriorating and dragging down their communities will find that their  
24 efforts are ineffectual when they are unaware of the true owners of a property. Citations issued to  
25 the owners of record - now dispossessed of their home and powerless to maintain it - will do  
26 little good; but official records that do not accurately reflect the banks' ownership make it  
27 difficult to hold the proper parties responsible.

28 Every foreclosure auction represents a tragedy, and each subsequently vacant building a  
29 burden on the remaining homeowners. There is no excuse for needlessly compounding these  
30 harms by allowing banks to delay the recordation of deeds that merely change the banks' legal  
31 basis of control over a property from one form to another.

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike out~~ indicates matter deleted by amendment.

## Council Bill 14-0175R

1        Requiring lenders to record a deed for a property purchased at a foreclosure auction promptly,  
2 within 30 days or less, would not unduly burden these lenders. After all, they generally are the  
3 only party to the transaction. However, the prompt recordation of these deeds, and the payment  
4 of the attendant local and state recordation taxes, could significantly assist efforts to lessen the  
5 harms caused by foreclosures. This requirement would ensure that governments receive much  
6 needed tax revenue in time to help offset the extra costs imposed by these transactions. It would  
7 also allow local officials to hold the true property owners accountable for maintaining vacant  
8 properties before they deteriorate to the point that the rest of the community is endangered.

9        **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the  
10 Honorable Chair and Members of the Baltimore City Senate and House Delegations to the  
11 Maryland General Assembly are urged to introduce legislation to require that banks record the  
12 deeds to properties purchased at foreclosure auctions, and pay the attendant recordation taxes,  
13 within 30 days of the purchase.

14        **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Honorable  
15 Chair and Members of the Baltimore City Senate and House Delegations to the Maryland  
16 General Assembly, the Governor, the Mayor, the Mayor's Office of Intergovernmental Relations,  
17 and the Mayor's Legislative Liaison to the City Council.