


FROM	NAME & TITLE	William Voorhees, Ph.D. <i>WV</i>	CITY of BALTIMORE <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Director of Revenue and Tax Analysis Department of Finance Room 545, City Hall (396-4961)		
	SUBJECT	City Council Bill 16-0692 – Property Assessed Clean Energy Loan		

TO

Honorable President and  
Members of the City Council  
C/O Natawna B. Austin  
Room 545, City Hall

DATE: September 2, 2016

City Council Bill 16-0692 – Property Assessed Clean Energy Loan –establishes a Property Assessed Clean Energy Loan Program for the purpose of collecting qualifying loan payments for private lenders.

### Analysis

#### *Operational Issues*

Passage of this bill would require the Finance Department to establish a comprehensive management system for loan processing. We will require a loan provider to provide these back office support systems.

Following are the major areas that Finance will undertake additional work.

*Loan Intake*-The Department of Finance will need to develop processes to track all new loan contracts. This will entail written procedures, and data entry. Personnel will need to be trained in the intake process.

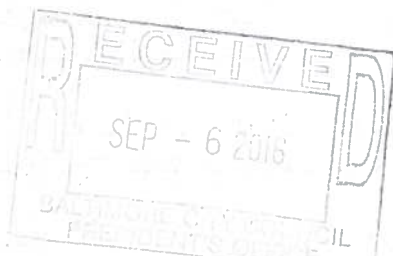
*Recordation*- Each loan is required to be recorded. Personnel will need to be trained in the recordation process for these loans.

*Real Property Tax Billing System Billing* -The current property tax billing system does not have the capacity to generate a line item on the existing bill, or generate separate bills. The bills will have to be issued from the miscellaneous billing system.

*Tax Sale*- This bill may place additional properties in tax sale.

*Lien* -This bill also requires the City to place a lien on any property that does not make timely payments.

*Accounting Processes* – In order to account for funds received on behalf of the lenders, the City will establish a new fiduciary fund/ Trust and Agency account



*Fav w/ Amend ;  
comments*

### ***Legislation Drafting Concerns***

1. On page page 5, line 10 – the bills states: “The City may shall charge ....” This needs to read “The City may Charge...”
2. Page 6, line 3 – The City doesn’t record surcharges, levies, or liens in the Land Records.
3. Page 9, line 21 – We don’t create or record releases of any “property tax charges or assessments.”
4. Page 10, line 20 – The payment application rules may not be specific enough. Would BAPS apply the payment to the lender’s bill before applying it to our costs or the other way around?

### **Fiscal Impact**

The fiscal impact is not presently known, but will be absorbed by the implementation of appropriate fee recovery to offset any costs.

### **Recommendation**

The Department of Finance supports but cautions the City Council that the implementation is complex.