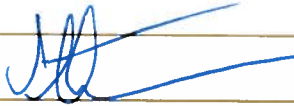


<b>FROM</b>	NAME & TITLE	Stephen M. Kraus, Deputy Director 
	AGENCY NAME & ADDRESS	Department of Finance 100 Holliday Street, Room 448
	SUBJECT	<b>Subject: Council Bill 15-0504</b>

CITY of  
BALTIMORE  
**MEMO**



**TO** DATE: June 24, 2015

The Honorable President and Members of the  
Baltimore City Council  
Room 400, City Hall

The Baltimore City Department of Finance has reviewed Council Bill #15-0504, Collection of Taxes, Fees, etc. - Warning of Lien and Potential Foreclosure. The purpose of this bill is to require that certain City bills, invoices, and other statements contain a warning of the potential consequences of a failure to pay. The warning includes specific language that must be added to such bills or invoices.

The warning states that "Failure to timely pay these charges can lead to foreclosure of the lien and the sale at auction of your property." This statement is not accurate. The City sells the liens during an online tax sale auction. If the lien purchaser is not reimbursed by the property owner after 6-months from the date of the tax sale, then a court may enter a judgment that forecloses the property owner's right to redeem, which could result in the loss of the home. We recommend the wording be changed to more accurately reflect the tax sale process as recommended by the Department of Law.

It should also be noted that several letters are mailed to customers with outstanding bills several times during the course of the fiscal year. A delinquent water notice is mailed in December as a courtesy which warns the homeowner that he/she is at risk of receiving a Final Bill and Legal Notice. The Final Bill and Legal Notice is mailed February 1<sup>st</sup> and contains statutory language that cannot be changed. A third letter is mailed in April as a courtesy which informs the homeowner that if the outstanding balance is left unpaid, the liens will be sold during the May tax sale. Finally in July a fourth letter is mailed to homeowners whose liens were sold to 3<sup>rd</sup> parties during the tax sale auction. This letter serves as a reminder that their outstanding liens were sold and they are at risk for foreclosure.

Finance Department supports this legislation and suggests that MOIT be provided the opportunity to report to the committee on the technical requirements of adding such language to the appropriate bills or invoices.

