

Andrew Klein

FROM	NAME & TITLE	Andrew Klein, Chief
	AGENCY NAME & ADDRESS	Bureau of Budget and Management Research Room 432, City Hall 396-4941
	SUBJECT	City Council Bill No.10-0516 –Vacant Property Registration

CITY of
BALTIMORE
MEMO



DATE: May 27, 2010

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

This bill increases registration fees for unoccupied residential dwellings increase from \$30 to \$130 per year and creates a new fee for unoccupied non-residential dwellings at the rate of \$250.

The bill creates new citation penalties for non-compliance with the new vacant property registration requirements. For unregistered vacant residential properties, the new citation penalty is \$500. For unregistered non-residential property the new citation penalty is \$500. Previously, violators were charged \$100.

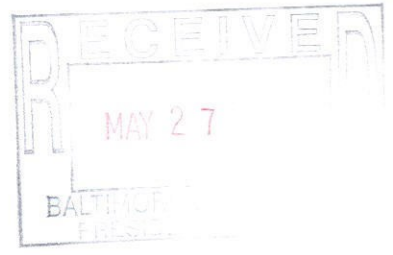
Fiscal Impact

The Finance Department estimates that this bill will generate an additional \$1,050,000 in revenue for Fiscal 2011. Registration revenue is estimated at \$675,000 and additional citation revenue is estimated at \$375,000 for Fiscal 2011. The Department of Housing and Community Development does not have data to estimate revenue from the new non-residential dwelling registration fee.

To estimate new registration fee revenue for Fiscal 2011, the projection multiplies the number of currently registered vacant properties (6,750) by the net fee of \$100, for a total of \$675,000.

To estimate new citation revenue for Fiscal 2011, the projection multiplies the historical number of citations (1,500) by the net citation amount of \$400, for a total of \$600,000. This number must be adjusted for the timing of actual collections. Based on past experience, \$600,000 of citations will ultimately generate approximately \$750,000 of payments, including late payment penalties (the citation is tripled 90 days after notice, unless a hearing is requested). However, due the timing of citations and payments, collections for Fiscal 2011 are expected to be approximately \$375,000.

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Recommendation

The Finance Department supports an increase in fees on vacant property registration. Increased fees will help to offset City costs that are attributable to vacant and unsafe properties. A recent study by Public Financial Management for the City determined that, on average, each vacant and unsafe property results in the City absorbing approximately \$1,400 per year per vacant structure in public safety related costs.

Cc: Edward J. Gallagher
Angela Gibson

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