

FROM

NAME & TITLE	David E. Scott, Director
AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building
SUBJECT	CITY COUNCIL BILL 08-0100

CITY of
BALTIMORE
MEMO



TO

DATE: June 2, 2008

The Honorable President and Members
of the Baltimore City Council
c/o Karen Randle
Room 400 - City Hall

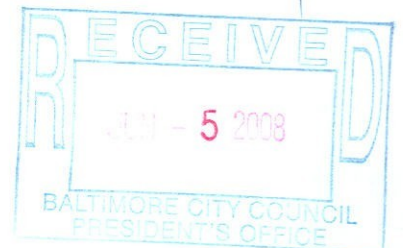
I am herein reporting on City Council Bill 08-0100 introduced by Council Member Young, President Rawlings Blake, Council Members D'Adamo, Cole, Henry, Curran, Holton, Middleton, Branch, Welch, Conaway, Clarke, Reisinger, and Spector.

The purpose of the Bill is to prohibit the tax sale of property that is designated or being considered for possible future acquisition by or on behalf of the City under a plan for development or redevelopment; require certain notices to and certain verifications from certain entities before a property may be advertised for tax sale; and generally relating to tax and other lien sales.

The City of Baltimore uses a system of property liens to collect what it is owed for property taxes, water and sewer bills, alley paving, fines, and other debts. The authority to do so is in Article VII Section 12 of the Baltimore City Charter. State law (Property – Tax Article § 14-808) requires the sale of any property for which taxes are in arrears, unless the amount owed is less than \$250 in any one year (§ 14-811). Articles 24 and 25 of the Baltimore City Code provide for the collection of metered water and sewer charges from users of the City's water and wastewater systems. These systems are established as enterprise funds, are self-sustaining, and must be operated without profit or loss to other funds or programs of the City. Liens are imposed to collect on delinquent water and sewer bills.

City Council Bill 08-0100, if approved, would require the Director of Finance to provide a list of properties to be advertised for tax sale to the Housing Authority and the Departments of Housing and Community Development, Planning, Public Works, Transportation, Real Estate, and the Baltimore Development Corporation. Each entity would be required to verify that they have no interest in acquiring the property for development or redevelopment. While it is reasonable to remove properties from tax sale where there is a commitment from the City to acquire, the language of the legislation is so broad as to include any property under consideration, regardless of when or if the City's interest will ever be acted upon.

F/A



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This Department's efforts to limit the number of properties sent to tax sale for water bill liens centers around early intervention techniques: improved and earlier notice to property owners, tenants, and landlords; lowered threshold for water turn-off; a new Low-Income Senior Citizen Discount Policy; expanded Water Low-Income Assistance Crisis Intervention Grant to tenants who pay water bills; and support for City Council Bill 08-0068, legislation that would suspend the accrual of quarterly penalty charges for those customers who are under a successful payment plan approved by the Director of Finance.

The Department of Public Works supports the concept of City Council Bill 08-0100, but respectfully requests limiting the removal of properties from tax sale to those that are under active acquisition, or with some other, more limiting language that indicates the City's commitment to acquisition.



DAVID E. SCOTT
DIRECTOR

DES/MMC:pat