

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor



DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor
101 City Hall
Baltimore, Maryland 21202

April 17, 2015

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
100 N. Holliday Street, Room 409, City Hall
Baltimore, Maryland 21202

Re: City Council Bill 15-0504 – Collection of Taxes, Fees, etc.– Warning of
Lien and Potential Foreclosure

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 15-0504 for form and legal sufficiency. The bill would add Section 4-4 to Article 28 of the City Code, which would require that every “bill, invoice or other statement issued by or for the City to collect a tax, fee, or other charge, that, by operation of law, constitutes a lien on real property” contain a specific warning that is prominent and conspicuously displayed in bold face type.

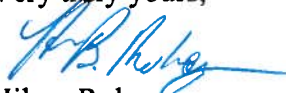
The warning provides that failure to timely pay the charges “can lead to foreclosure of the lien and the sale at auction of your property.” This is legally incorrect because the City does not sell these properties at auction. Although this is a common misconception, *the City actually sells the lien* at an auction pursuant to a process set forth in state law. *See* Md. Code, Tax-Prop, § 14-801, *et. seq.* If the lien purchaser is not thereafter reimbursed by the property owner, then a court may enter a judgment that forecloses the property owner’s right to redemption, which may result in the transfer of title to the property.

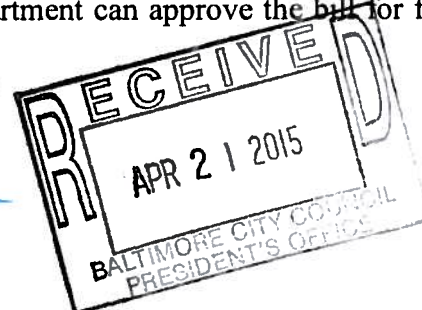
Thus, the wording of the warning needs to be changed to the following:

Warning: These charges are a lien on the property identified. Failure to timely pay these charges can lead to sale of the lien at auction and possible foreclosure of the property identified. Foreclosure can result in loss of ownership of the property.

Subject to the foregoing amendment, the Law Department can approve the bill for form and legal sufficiency.

Very truly yours,


Hilary Ruley
Chief Solicitor



Fav w/ Amend

cc: George Nilson, City Solicitor
Angela C. Gibson, Mayor's Legislative Liaison
Avery Aisenstark, Legislative Reference
Mary Keenan, Chief Solicitor, Collections Division
Elena DiPietro, Chief Solicitor, General Counsel Division
Victor Tervalá, Chief Solicitor
Jennifer Landis, Assistant Solicitor

AMENDMENTS TO COUNCIL BILL 15-0504
(1st Reader Copy)

Proposed by: Law Dep't
{To be offered to the Taxation, Finance and Economic Development Committee}

Amendment No. 1

On page 2, in line 7, strike "FORECLOSURE" and substitute "SALE"; add "AT AUCTION" after "LIEN"; strike "THE SALE AT AUCTION" and substitute "POSSIBLE FORECLOSURE"; strike "YOUR" and substitute "THE". On page 2, in line 8, add "IDENTIFIED. FORECLOSURE CAN RESULT IN THE LOSS OF OWNERSHIP OF THE PROPERTY." after "PROPERTY".