

FROM	NAME & TITLE	Henry J. Raymond, Deputy Director <i>HJR</i>
	AGENCY NAME & ADDRESS	Finance Department 100 Holliday Street, Room 454
	SUBJECT	CC 12-0065 Tax Lien Certificates – Verifications Required Before Issuance for Water Bills

CITY of
BALTIMORE
MEMO



TO

DATE: September 13, 2012

Honorable President and Members of the City Council
Attention: Karen Randle, Executive Secretary
Room 409, City Hall

City Council Bill Number 12-0065, Tax Lien Certificates would require that before the Chief Clerk issues a tax lien certificate including water or sewer charges, the Chief Clerk must obtain a certification that the charges are based upon certain verified information; correcting, clarifying and conforming related provisions; and generally relating to tax lien certificates.

During the June 7, 2012 hearing on this bill, it was agreed that adoption of proposed Rules and Regulations governing the treatment of estimated single meter water bills and their inclusion in tax sale would supersede the need for consideration of CC 12-0065. The proposed Rules and Regulations are attached.

The lead sponsor of the bill, Councilwoman Mary Pat Clarke, has reviewed the proposed regulations and agrees that the proposed regulations achieve the intended purpose of CC 12-0065.

The proposed Rules and Regulations essentially outline the process used during the 2012 tax sale where all delinquent single meter accounts only with estimated bills that were eligible for tax sale were reviewed by the Departments of Finance and Public Works to determine if the accounts should be included or excluded from the tax sale. The process was initiated pursuant to CC 12-0032R – Water Bill Tax Lien Moratorium. A report was provided to the Council on April 25, 2012 (excerpt attached) that documented the review process. The Council was pleased with the results of this process and the report that was produced.

The proposed Rules and Regulations outline the process for the Finance Department to annually prepare a report using the process outlined above and report the data to the Council prior to each tax sale.

In closing, the Finance Department opposes CC 12-0065, since the proposed Rules and Regulations will govern the process.

- Cc: Harry E. Black
- Andrew Kleine
- Angela Gibson
- Janice Simmons

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PRESIDENT

RULES AND REGULATIONS – WATER CHARGES IN TAX SALE

Adopted under the general powers granted to the Director of Finance pursuant to §§ 5 through 18 of Article VII, “Executive Departments”, of the Charter of Baltimore City; Subtitle 8, “Collection”, of Title 14, “Procedure”, of the Tax - Property Article of the Annotated Code of Maryland; and Subtitle 8, “Tax Sales”, of Article 28, “Taxes”, of the Baltimore City Code.

The authority to promulgate these rules and regulations is necessary and inherent to the powers granted to the Director of Finance to collect property taxes pursuant to § 12 of Article VII of the Baltimore City Charter and § 14-808 of the Tax - Property Article of the Maryland Code.

I. Background

State law requires the City to conduct periodic sales of unpaid liens, which it usually does at an annual tax sale lien auction online in May. Among the liens collected are unpaid water charges. The Director of Finance seeks to determine the validity of the unpaid water charges before they are subject to sale.

Erroneous or incompletely documented water charges may result in inconvenience, annoyance, and confusion to water account customers. Moreover, the customers may be compelled to pay invalid charges or face foreclosure. Tax sale certificate purchasers also have an interest in not wasting resources on properties whose certificates may be voided after the tax sale.

II. Definitions

- A. The Director adopts and incorporates the terms as used in Title 14 of the Tax - Property Article of the Maryland Code.
- B. In addition, the terms as used in these rules and regulations have the following definitions:
 - 1. “Estimated water charges” mean that an account has at least one estimated reading in the last eighteen histories in the water system records available to the Department of Finance.
 - 2. “History” means one of the eighteen events occurring on a water account and recorded in the water system records available to the Department of Finance. Histories include, but are not limited to, data related to meter readings and adjustments.
 - 3. “Informal conference” means a meeting conducted through the Department of Public Works to determine whether water charges to a water account should be abated.
 - 4. “Water charges” mean the charges for water consumption, sewer connection, bay restoration fees, interest, and any other charges levied on a water account for a property by the Department of Public Works.

III. Procedure

- A. To determine whether water charges are valid, the Bureau of Revenue Collections will examine the list of the properties eligible for tax sale. The examination will occur after the final publication required by § 14-813 of the Tax – Property Article of the Maryland Code and before

the final list of properties eligible for tax sale is completed by the Bureau. The examination only will involve properties eligible for tax sale solely as a result of metered water charges with no other liens.

B. The Bureau will remove from the list of properties eligible for tax sale all properties:

1. with at least one estimated reading in the last eighteen histories,
2. with known estimated water charges although not identified as such,
3. in an active bankruptcy proceeding,
4. for which an informal conference has been requested but not yet held,
5. awaiting the results of a pending meter investigation or adjustment after an informal conference has been held,
6. whose liens have been paid so that the balance is below the threshold defined in § 14-849.1 of the Tax – Property Article of the Maryland, and
7. any other reason that would render the water charges invalid.

C. No property will be removed from a list of properties eligible for tax sale for the same factual reason that it was removed from any prior tax sale list. For example, if a property was removed for an estimated water charge that occurred on October 1st, then it will not be removed from a later list for the same October 1st charge unless an adjustment of the charge was made but not recorded on the account. However, it will be removed if another water charge was estimated after the date of the prior tax sale.

D. The Bureau will compile and provide to the President and each member of the City Council a report delineating all water accounts examined pursuant to these rules and regulations, by councilmanic district. The fields of information will include:


1. water account number,
2. service address with the block and lot,
3. last bill date,
4. current balance,
5. last payment date,
6. whether the property has been removed from or is still on the list, and
7. reason for the removal or inclusion.

These rules and regulations are effective this day of _____, 2012, and have been filed with the City of Baltimore Department of Legislative Reference.

Issued and Approved:

Harry E. Black, Director
Department of Finance

Date

NAME & TITLE	Henry J. Raymond, Deputy Director NYC	CITY OF BALTIMORE MEMO	
AGENCY NAME & ADDRESS	Finance Department City Hall, Room 454		
SUBJECT	CC 12-0032R Water Bill Tax Lien Moratorium		

DATE: April 25, 2012

TO
Honorable President and Members of the City Council
Attention: Karen Randle, Executive Secretary
Room 409, City Hall

At the City Council's Committee of the Whole hearing of March 21, 2012, on water bill moratoriums, the City Council requested a report prior to tax sale of the disposition of all 2,325 properties intended for tax sale because of Water/Waste Water liens, a request to which the Departments of Public Works and Finance agreed.

The detailed disposition report is attached per the agreement. The fields of information include: 1) water account number; 2) service address; 3) last bill date; 4) current balance as of ; 5) last payment date; 6) amount of last payment; 7) in tax sale; and 8) reason for removal/inclusion.

The matrix below provides a summary of the 2,325 accounts that were reviewed. Of the total reviewed, 1,562 accounts (67.2%) will not be in the tax sale. The remaining 763 accounts (32.8%) will be in the tax sale since these accounts had no estimated bills, no requested conferences or no adjustments pending. Explanations are provided to document tax sale removal/inclusion.

Explanation	Overall	Not in TS	In TS
One or more estimated bills in billing history - not in TS	1,466	1466	0
No estimated bills, requested conference or pending adjustment-In TS	758	0	758
One or more estimated bills but not flagged on report-Not in TS	5	5	0
Open bankruptcy-Not in TS	1	1	0
Pending investigation-Not in TS	2	2	0
Balance after adjustment-5 in TS, 4 not in TS	9	4	5
Payment in full or payment to reduce balance below threshold-Not in TS	52	52	0
Pending Adjustment-Not in TS	14	14	0
Requested informal conference-not in TS	11	11	0
Water payment agreement-Not in TS	7	7	0
TOTAL	2,325	1,562	763

If there are any questions, please contact me at 410-396-4676 or henry.raymond@baltimorecity.gov.

Water Moratorium Report
as of April 13, 2012

ACCOUNT #	SERVICE ADDRESS	LAST BILL	CUR BAL	LAST PAYMENT	AMOUNT OF LP	IN TS	REASON
Code	Explanation	LEGEND				Overall	Not in TS In TS
EST	One or more estimated bills in billing history		Not in tax sale			1,466	1466 0
V	No estimated bills, requested conference or pending adjustment		In TS			758	0 758
EST***	One or more estimated bills but not flagged on report		Not in TS			5	5 0
BK	Open bankruptcy		Not in TS			1	1 0
INV	Pending investigation		Not in TS			2	2 0
BAA	Balance after adjustment		5 in TS, 4 not in TS			9	4 5
P	Payment in full or payment to reduce balance below threshold		Not in TS			52	52 0
PA	Pending Adjustment		Not in TS			14	14 0
RC	Requested informal conference		Not in TS			11	11 0
WPA	Water payment agreement		Not in TS			7	7 0
Totals			In tax sale 763	Not in tax sale 1,562		2,325	1562 763

Water Moratorium Report
as of April 13, 2012

ACCOUNT #	SERVICE ADDRESS	LAST BILL	CUR BAL	LAST PAYMENT	AMOUNT OF LP	IN TS	REASON	BLOCK	LOT	DISTRICT
09424656008	16-20 S CAROLINE ST	2/15/2012	11,817.70	9/12/2011	-6239.80	Y	V	1367	033	01
09392837002	1821-31 LANCASTER ST	2/15/2012	4,192.30	4/25/2011	3998.60	Y	V	1862	054	01
09290806000	3800 DILLON ST	2/27/2012	5,710.30	8/23/2010	2354.34	N	P	6466	001	01
06437725002	1025 S CLINTON ST	12/21/2011	822.51	6/16/2010	80.81	N	EST	6471	011	01
06414153004	1433 E BALTIMORE ST	12/30/2011	1,380.78	4/6/2010	180.00	N	EST	1367	078	01
06398674009	1926 ALICEANNA ST	2/16/2012	995.91	1/18/2012	200.00	N	EST	1830	032	01
06396811009	724 S BOND ST	11/8/2011	3,501.51	8/12/2010	53.93	N	EST	1809	013	01
06377236002	122 N WOLFE ST	10/12/2011	518.71	4/1/2011	474.72	N	EST	1701	036	01
06376918006	115 N MILTON AVE	1/23/2012	1,376.59	4/29/2011	316.67	Y	V	1709	008	01
06376341001	1813 E FAIRMOUNT AVE	1/27/2012	663.19	7/14/2010	356.57	N	EST	1719	042	01
06375557003	26 N WOLFE ST	10/12/2011	441	12/15/2011	138.54	N	EST	1719	059	01
06371063006	12 N BOND ST	2/29/2012	505.45	9/17/2010	1.31	N	EST	1345	021	01
06370315001	3611 PULASKI HWY	2/2/2012	1,014.75	8/5/2010	107.98	Y	V	6269B	006	01
06370172006	2216 CAMBRIDGE ST	1/18/2012	713.35	5/5/2010	617.64	N	EST	1834	023	01
06366964002	608 S PATTERSON PK AVE	1/31/2012	757.43	3/23/2011	669.91	N	EST	1835	025	01
06365752002	10 N ROSE ST	12/5/2011	635.66	3/29/2011	918.91	N	EST	1726	072	01
06365615001	119 N BELNORD AVE	2/9/2012	1,126.73	11/5/2009	68.65	N	EST	1711	109	01
06355335008	2423 E FAYETTE ST	1/23/2012	1,832.71	5/26/2010	65.38	N	EST	1708	036	01
06355310001	907 S DECKER AVE	2/2/2012	979.32	10/1/2010	122.19	N	EST	1880	070	01
06354106004	139 N STREEPER ST	2/27/2012	1,416.21	6/4/2010	134.03	N	EST	1712	110	01
06354010008	2040 FOUNTAIN ST	1/18/2012	556.15	9/13/2010	162.00	N	EST	1831	033	01
06353615005	1933 E BALTIMORE ST	1/19/2012	608.33	6/22/2010	985.09	N	EST	1736	008	01
06352032004	3102 E FAIRMOUNT AVE	1/30/2012	1,704.05	9/24/2010	880.82	N	EST	1715	043	01
06350800006	3106 E FAIRMOUNT AVE	2/9/2012	2,091.48	1/5/2011	300.00	N	EST	1715	045	01
06350603004	2406 HUDSON ST	2/7/2012	711.98	10/19/2011	130.00	N	EST	1864	004	01
06350298003	30 N LINWOOD AVE	1/18/2012	846.11	1/31/2011	150.00	Y	V	1729	022	01
06349863008	621 S POTOMAC ST	12/29/2011	991.92	9/15/2006	45.17	N	EST	1843A	011	01
06347928001	3818 FOSTER AVE	1/27/2012	625.9	2/14/2012	100.00	N	EST	6435	015	01
06347727007	234 S PATTERSON PK AVE	1/19/2011	948.32	8/5/2011	100.00	N	EST	1758	018	01
06347078005	406 S CHAPEL ST	2/16/2012	618.13	3/2/2011	400.00	N	EST	1773	058	01
06346971002	3015 HUDSON ST	2/2/2012	748.85	3/29/2011	1198.54	N	EST	1880	056	01
06346830000	610 S EATON ST	1/27/2012	677.54	12/20/2011	200.00	N	EST	6434	025F	01
06346614008	2915 FAIT AVE	1/30/2012	852.95	3/30/2010	258.06	N	EST	1869	041	01
06346039008	605 S MONTFORD AVE	1/30/2012	625.83	4/1/2011	0.64	N	EST	1837	060	01
06344695009	400-02 S EDEN ST	2/17/2012	750.53	5/23/2011	111.00	N	EST	1432	001	01
06344051005	237 S BROADWAY	2/16/2012	1,178.81	2/10/2012	376.77	N	EST	1753	016	01

Water Moratorium Report
as of April 13, 2012

ACCOUNT #	SERVICE ADDRESS	LAST BILL	CUR BAL	LAST PAYMENT	AMOUNT OF LP	IN TS	REASON	BLOCK	LOT	DISTRICT
04172539001	1507 CARSWELL ST	12/30/2011	1,237.24	2/8/2011	400.00	Y	V	4131	042	14
04172518005	1546 CARSWELL ST	12/30/2011	548.55	2/4/2010	68.65	N	EST	4132	016	14
04172483002	1708 CARSWELL ST	12/30/2011	1,773.83	10/22/2010	-825.67	Y	V	4128	001C	14
04172262000	2788 THE ALAMEDA	1/4/2012	610.72	6/22/2010	65.38	N	EST	4138	017	14
04172220008	2814 THE ALAMEDA	12/30/2011	948.98	7/22/2010	600.00	Y	V	4137	064	14
04172110001	2817 KIRK AVE	12/30/2011	634.38	3/5/2012	150.00	Y	V	4137	037	14
04171828009	1415 CARSWELL ST	1/4/2012	820.6	12/21/2010	128.00	Y	V	4133	023	14
04171483003	2626 AISQUITH ST	12/30/2011	680.98	8/13/2010	87.43	N	EST	4114B	043	14
04171279005	1706 MONTPELIER ST	12/30/2011	763.73	6/10/2010	100.00	Y	V	4123A	051	14
04171254008	1756 MONTPELIER ST	1/4/2012	1,804.75	3/5/2012	500.00	Y	V	4123A	076	14
04170619003	3104 ELLERSLIE AVE	12/30/2011	2,090.15	7/28/2010	66.42	Y	V	4080	012A	14
04169300003	519 E 28TH ST	1/30/2012	778.49	10/25/2011	192.67	N	EST	4071	027	14
02359352008	400-02 E 31ST ST	1/4/2012	5,628.42	4/15/2011	600.00	N	EST	3881	001	14
02327937005	3415 PLEASANT PL	12/8/2011	584.48	5/17/2011	362.64	N	EST	3530	077H	14
02327917007	2919 HUNTINGDON AVE	3/8/2012	1,908.87	2/6/2012	200.00	N	EST	3657	010	14
02327364002	2825 HUNTINGDON AVE	2/29/2012	1,712.57	8/25/2010	100.00	N	EST	3651	012	14
02325990006	3138 REMINGTON AVE	3/1/2012	2,347.77	11/15/2011	317.73	N	EST	3664A	026	14
02325464002	3537 ROLAND AVE	11/21/2011	1,653.99	11/23/2010	150.00	N	EST	3530	018	14
02325262000	1005 W 42ND ST	2/29/2012	658.11	3/2/2012	400.00	N	EST	3590	058	14
02325152003	3702 ELM AVE	2/29/2012	1,078.32	4/14/2011	920.40	N	EST	3554	023	14
	3727 ELM AVE	3/7/2012	798.13	9/7/2010	161.57	N	EST	3555A	054	14