



MEMORANDUM

STEPHANIE
RAWLINGS-BLAKE,

PAUL T. GRAZIANO,
Executive Director, DHCD
Commissioner, DHCD

To: The Honorable President and Members of the Baltimore City Council
c/o Karen Randle, *Executive Secretary*

From: Paul T. Graziano, *Commissioner*

Date: November 23, 2010

Re: **City Council Bill 10-0209R - Informational Hearing - Recordation of Tax Sale Properties**

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 10-0209R, which was introduced for the purpose of requesting that representatives from the Departments of Finance and Housing appear before the Council to report on the number of properties foreclosed on through the tax sale process for which no deed has been recorded and to discuss the fiscal impact of these transactions on the City.

DHCD does not currently have a mechanism to track whether a foreclosing party who acquired the property through tax sale has recorded the property's deed. The tax sale process generally fulfills its objective of collecting outstanding liens regardless if the property is redeemed by the original owner or foreclosed upon by the tax certificate purchaser. Since in either scenario, the City gets paid the taxes owed, DHCD has not had the need to track the recordation of the property's deed. Should, the tax certificate purchaser fail to pursue either foreclosure or discontinues to pay the taxes owed, then the original owner is still liable for these taxes and the subject property may be reclaimed for a future tax sale. In either instance, the City will likely collect the taxes due.

Should the need arise for either the DHCD or the Department of Finance to track the recordation of properties, this process would require the close coordination and assistance of Land Records Division which operates under the independent authority of the Circuit Court of Baltimore City. DHCD recommends that the members of the Council's Taxation, Finance and Economic Development Committee may wish to invite the Land Record Division to participate in any future hearing on this resolution in order to facilitate dialogue on this topic. The Department of Housing and Community Development has no objection to the adoption of City Council Bill 10-0209R but defers to Department of Finance and the Circuit Court of Baltimore City for further comment.

PTG:pmd

cc: Ms. Angela Gibson, *Mayor's Office of Government Relations*
Ms. Diane Hutchins, *Mayor's Office of Government Relations*
Ms. Kaliopé Parthemos, *Deputy Mayor*

