



CITY OF BALTIMORE  
MAYOR BRANDON M. SCOTT

<b>TO</b>	The Honorable President and Members of the Baltimore City Council
<b>FROM</b>	Michael Mocksten, Director, Finance Department <i>Mocksten</i>
<b>DATE</b>	April 1 <sup>st</sup> , 2026
<b>SUBJECT</b>	City Council Bill 26-0152, Installment Payment Plans – Property Taxes in Arrears – Residential Property

The Honorable President and  
Members of the City Council  
City Hall, Room 400

**Position: Support**

The Department of Finance is herein reporting on City Council Bill 26-0152, Installment Payment Plans – Property Taxes in Arrears – Residential Property, the purpose of which is authorizing certain property tax arrearages to be paid through an installment payment plan; requiring the Director of Finance to establish an installment payment program; setting eligibility requirements for the program; prohibiting the Director from taking certain action against a person if compliant with a plan; establishing the effect of non-compliance with a plan; specifying the contents of the notice of an offer of a plan; specifying certain terms of the installment payment plan; requiring the publication of certain information on the City Tax Sale Ombudsman’s website; providing for a special effective date; and generally relating to installment payments of certain property taxes in Baltimore City,

**Background**

Under current policy, property tax payments are due on July 1<sup>st</sup> for full-year payment. Semiannual payment schedules for property taxes are authorized for owner-occupied residential properties and businesses with combined total State, City, and Special Benefit tax payments below \$100,000. Semiannual payments are due by September 30<sup>th</sup> and December 31<sup>st</sup> when opted into.

In the last term of the Council several bills had been introduced seeking to create payment plans for real property taxes. These items have included:

Bill #	Bill Title	Bill Intent	Disposition
21-0002	Real Property Tax Installment Plans	Creates installment plans to pay for prospective real property taxes	Withdrawn
21-0016	Liens and Late Charges - Installment Plans	Creates installment plans for liens and taxes that are in arrears	Withdrawn
21-0058	Real Property Tax – Installment Plans	Creates installment plans to pay for prospective real property taxes	Enacted
23-0373	Real Property Tax - Installment Plans - Tax in Arrears	Creates installment plans for taxes that are in arrears	Failed – end of term

State law (Section 14-811(e) of the Tax-Property Article of the Maryland Code) allows local jurisdictions to exempt properties enrolled in payment plans from the annual tax sale process. In addition, Section 10-209 of the Tax-Property Article authorizes local jurisdictions to establish installment payment plans for delinquent property taxes through local ordinance. If the property is withheld from tax sale under such a plan, the City must arrange for payment to the State of any State property taxes in arrears on the property. The City is preparing to utilize the payments to pay the State portion of the property taxes first, and then to pay the City's portion of the debt that is in arrears. Residents who sign up for the program and maintain payments consistent with their plan, will stay out of tax sale.

Promise will support implementation by providing technical documentation, business rules guidance, and a project timeline, with success dependent on timely and accurate data exchanges, proper account eligibility flagging, and daily data processing. The project requires early delivery of testing data and consecutive periods of successful testing in both development and production environments. Promise will supply bilingual website and marketing content and maintain the software after launch with updates and technical support. For operations, Promise offers customer phone support during standard weekday business hours, training for the client's support team, and coordination protocols for handling inquiries, while technical support is available 24/7. The company also provides a reporting dashboard and ongoing analytics, including recommendations to improve program performance over time.

#### **Fiscal Impact**

The Department of Finance has contracted with Promise Network Inc (Promise) to utilize their PromisePay program to implement this legislation. The contract is for \$800,000 to assist in the collection of eligible property tax debt.

#### **Conclusion**

In conclusion, implementation of this program is expected to require an \$800,000 contractual investment to support the administration of payment plans for eligible property owners in outstanding property tax debt across Baltimore City. By enabling property owners with delinquent real property tax bills enter into payment plans and avoid tax sale, the program is intended to increase long-term tax collection while stabilizing homeownership and reducing the administrative burdens associated with the tax sale process. The Department of Finance's partnership with Promise Pay will provide the technical infrastructure, customer support, and data management necessary to operationalize the program and support ongoing monitoring of its performance.

**For the reasons stated above, the Department of Finance supports City Council Bill 26-0152.**

cc: Bob Cename  
Yoanna Moisides  
Nina Themelis