

FROM	NAME & TITLE	<i>Andrew Kleine</i> Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432 City Hall (396-4941)
	SUBJECT	City Council Bill No. 08-0040 – Property Owner Registry

CITY of
BALTIMORE
MEMO



TO Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

DATE: April 30, 2008

The purpose of the Bill is to require the City to establish and maintain a central registry of property owners; require purchasers at certain sales to notify the City of the purchase; and impose certain penalties for noncompliance.

The Finance Department appreciates the concern that this Bill attempts to address; namely, that changes in property ownership are not always recorded in a timely fashion. However, we share the Department of Public Works' (DPW's) concerns about this Bill's approach, including the requirement for a second property ownership registry that conflicts with the official, Charter-mandated registry; the disincentive this creates for property owners to record their deeds and pay associated taxes; and the implementation costs involved.

Based on consultations with DPW and the Mayor's Office of Information Technology, the Finance Department estimates that the implementation costs of this Bill's requirements include:

- \$330,000 to \$500,000 in one-time software development costs to build a separate property owner registry database and interface it with the existing registry; and
- \$80,000 in recurring personnel expenses for two clerical staff to maintain the database and enforce the new requirements.

The Finance Department does not support passage of this Bill. It is not an effective solution to the problem of delayed deed recordation, could negatively impact transfer and recordation tax revenues, and requires expenditures that are not part of the Board of Estimates' proposed FY 2009 budget. Like DPW, the Finance Department believes that the real solution to this problem is for the State to impose a deed recordation deadline.

cc: Ed Gallagher
Angela Gibson

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