

CITY OF BALTIMORE  
ORDINANCE **20.427**  
Council Bill 20-0593

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Introduced by: Councilmember McCray, President Scott, Councilmembers Dorsey, Middleton,  
Bullock, Clarke, Pinkett, Cohen, Stokes, Sneed, Burnett, Reisinger  
Introduced and read first time: August 17, 2020  
Assigned to: Taxation, Finance and Economic Development Committee

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Committee Report: Favorable with amendments  
Council action: Adopted  
Read second time: October 5, 2020

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AN ORDINANCE CONCERNING

**Tax Sales – Properties Exempt From Sale**

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2 FOR the purpose of directing the Director of Finance to withhold certain properties from tax sale;  
3 defining certain terms; requiring that the Director of Finance adopt regulations to implement  
4 the requirements of this section; requiring that the Director of Finance submit an annual  
5 report to the Mayor and City Council; requiring the Commissioner of Housing and  
6 Community Development to designate a City Tax Sale Ombudsman; providing for the duties  
7 of the City Tax Sale Ombudsman; providing for a special effective date; and generally  
8 implementing the authority provided by Section 14-811(f) of the State Tax-Property Article.  
9 Chapter 730, 2019 Laws of Maryland.

10 BY authority of  
11 Tax-Property Article  
12 Section 14-811(f)  
13 Maryland Code  
14 Chapter 730  
15 2019 Laws of Maryland

16 BY adding  
17 Article 28 - Taxes  
18 Section 8-5 Sections 8-5 and 8-6  
19 Baltimore City Code  
20 (Edition 2000)

21 **Recitals**

22 **WHEREAS**, thousands of Baltimore City homeowners are confronted with losing their homes  
23 each year at public auction for unpaid real property taxes.

24 **WHEREAS**, the owners of the properties listed at public auction must navigate the tax lien  
25 certificate sale process to avoid losing their homes, a process that is often confusing and filled  
26 with questions.

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.  
Underlining indicates matter added to the bill by amendment.  
~~Strike-out~~ indicates matter stricken from the bill by  
amendment or deleted from existing law by amendment.

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1       **WHEREAS**, several owners of the properties subject to sale face extraordinary financial  
2 challenges and struggles, compounded for many by being on a fixed income.

3       **WHEREAS**, partial payments on outstanding taxes owed cannot prevent or delay a property  
4 from a tax lien certificate sale, regardless of the amount of outstanding taxes owed.

5       **WHEREAS**, homeownership is one of the main ways for families to build wealth and  
6 economic security.

7       **WHEREAS**, on January 1, 2020, Chapter 730 of the Laws of Maryland of 2019 took effect and  
8 authorized a governing body of a county or municipal corporation to withhold from sale certain  
9 dwellings owned by low-income individuals, individuals 65 years or older, or disabled  
10 individuals.

11       **WHEREAS**, the rapid onset of the COVID-19 pandemic also has wreaked havoc on the  
12 finances of many homeowners due to job loss and the inability to work, making it even more  
13 difficult for homeowners to pay outstanding all taxes and charges to avoid losing their homes  
14 during a tax certificate sale.

15       **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the  
16 Laws of Baltimore City read as follows:

17   **Baltimore City Code**

18   **Article 28. Taxes**

19   **Subtitle 8. Tax Sales**

20       **§ 8-5. PROPERTIES EXEMPT FROM SALE.**

21                (A) *DEFINITIONS.*

22                       (1) *IN GENERAL.*

23                                       IN THIS SECTION, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

24                       (2) *DWELLING.*

25                                       “DWELLING” HAS THE MEANING STATED IN STATE TAX-PROPERTY ARTICLE § 9-105  
26                                       {“HOMESTEAD TAX CREDIT”}.

27                       (3) *HOMEOWNER.*

28                                       “HOMEOWNER” HAS THE MEANING STATED IN STATE TAX-PROPERTY ARTICLE § 9-105  
29                                       {“HOMESTEAD TAX CREDIT”}.

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1 (B) SCOPE OF SECTION.

2 THIS SECTION APPLIES TO THE SALE OF A DWELLING WITH AN ASSESSED VALUE OF  
3 \$250,000 OR LESS.

4 (C) SALE PROHIBITED.

5 (1) IN GENERAL.

6 ~~IN ACCORDANCE WITH § 14-811(F) OF THE STATE TAX PROPERTY ARTICLE ON~~  
7 ~~RECEIPT OF AN APPLICATION FROM AN ELIGIBLE HOMEOWNER AND SUBJECT TO THE~~  
8 ~~LIMITATION SET FORTH IN PARAGRAPH (3) OF THIS SUBSECTION, THE DIRECTOR OF~~  
9 ~~FINANCE SHALL WITHHOLD FROM SALE A DWELLING OWNED BY A HOMEOWNER WHO:~~  
10 ~~THE HOMEOWNER'S DWELLING FROM TAX SALE FOR 1 YEAR.~~

11 (2) ELIGIBILITY.

12 A HOMEOWNER IS ELIGIBLE TO HAVE THE HOMEOWNER'S DWELLING WITHHELD FROM  
13 TAX SALE UNDER THIS SECTION IF THE HOMEOWNER:

14 (1) (I) HAS RESIDED IN THE DWELLING FOR AT LEAST 3 15 YEARS; AND

15 (2) (II) EITHER:

16 (i) (A) HAS A ~~COMBINED~~ TOTAL ANNUAL HOUSEHOLD INCOME OF LESS THAN  
17 \$40,000 \$36,000;

18 (ii) (B) IS AT LEAST 65 YEARS OLD AND HAS ANNUAL EARNED INCOME OF  
19 \$75,000 OR LESS; OR

20 (iii) (C) IS AN ADULT CURRENTLY RECEIVING DISABILITY BENEFITS FROM THE  
21 FEDERAL SOCIAL SECURITY DISABILITY INSURANCE PROGRAM OR THE  
22 SUPPLEMENTAL SECURITY INCOME PROGRAM AND HAS ANNUAL  
23 EARNED INCOME OF \$75,000 OR LESS.

24 (3) LIMITATION.

25 IN ANY TAX YEAR, THE AGGREGATE TAX AND LIEN LIABILITY OF ALL HOMEOWNERS  
26 FOR WHOM THE DIRECTOR OF FINANCE HAS WITHHELD THEIR DWELLINGS FROM TAX  
27 SALE UNDER THIS SECTION MAY NOT EXCEED \$2 MILLION.

28 (4) RENEWAL APPLICATIONS.

29 SUBJECT TO THE LIMITATION SET FORTH IN PARAGRAPH (3) OF THIS SUBSECTION, A  
30 HOMEOWNER MAY SUBMIT A RENEWAL APPLICATION ANNUALLY TO HAVE THE  
31 HOMEOWNER'S DWELLING WITHHELD FROM TAX SALE FOR AN ADDITIONAL YEAR  
32 PROVIDED THAT THE HOMEOWNER DEMONSTRATES CONTINUING ELIGIBILITY UNDER  
33 THIS SECTION.

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1 (E) ~~RESERVED~~ APPLICATION SUBMISSIONS.

2 A HOMEOWNER MAY SUBMIT AN APPLICATION UNDER THIS SECTION ONLINE, IN  
3 PERSON, OR BY MAIL.

4 (F) RULES AND REGULATIONS.

5 (1) IN GENERAL.

6 THE DIRECTOR MAY OF FINANCE SHALL ADOPT RULES AND REGULATIONS TO  
7 CARRY OUT THIS SECTION INCLUDING APPLICATION AND SUPPORTING  
8 DOCUMENTATION PROCEDURES.

9 (2) FILING WITH LEGISLATIVE REFERENCE.

10 A COPY OF ALL RULES AND REGULATIONS ADOPTED UNDER THIS SUBTITLE MUST  
11 BE FILED WITH THE DEPARTMENT OF LEGISLATIVE REFERENCE BEFORE THEY TAKE  
12 EFFECT.

13 (G) ANNUAL REPORT.

14 ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DIRECTOR OF FINANCE SHALL  
15 SUBMIT A REPORT TO THE MAYOR AND CITY COUNCIL:

16 (1) THE TOTAL NUMBER OF DWELLINGS THAT WERE SUBJECT TO THIS SECTION;

17 (2) THE TOTAL AND AVERAGE AMOUNTS OF OUTSTANDING TAXES OWED ON THE  
18 DWELLINGS THAT WERE SUBJECT TO THIS SECTION; AND

19 (3) THE NUMBER OF DWELLINGS THAT WERE SUBJECT TO THIS SECTION SEPARATED  
20 BY THE TYPE OF HOMEOWNER SUBJECT TO THIS SECTION.

21 § 8-6. CITY TAX SALE OMBUDSMAN.

22 (A) "HOMEOWNER" DEFINED.

23 IN THIS SECTION, "HOMEOWNER" HAS THE MEANING STATED IN STATE TAX-PROPERTY  
24 ARTICLE § 9-105 {"HOMESTEAD TAX CREDIT"}.

25 (B) IN GENERAL.

26 (1) THERE IS A CITY TAX SALE OMBUDSMAN IN THE DEPARTMENT OF HOUSING AND  
27 COMMUNITY DEVELOPMENT.

28 (2) THE OMBUDSMAN SHALL:

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1 (I) BE DESIGNATED BY THE COMMISSIONER OF THE DEPARTMENT OF HOUSING  
2 AND COMMUNITY DEVELOPMENT TO CARRY OUT THE DUTIES OF THIS SECTION;  
3 AND

4 (II) HAVE SUBSTANTIAL KNOWLEDGE OF THE PROPERTY TAX COLLECTION PROCESS.

5 (C) DUTIES OF OMBUDSMAN.

6 THE OMBUDSMAN SHALL:

7 (1) ASSIST HOMEOWNERS TO UNDERSTAND THE PROCESS FOR COLLECTION OF  
8 DELINQUENT TAXES;

9 (2) ACTIVELY ASSIST HOMEOWNERS TO APPLY FOR TAX CREDITS, DISCOUNT  
10 PROGRAMS, AND OTHER PUBLIC BENEFITS THAT MAY ASSIST THE HOMEOWNERS TO  
11 PAY DELINQUENT TAXES AND IMPROVE THEIR FINANCIAL SITUATION;

12 (3) REFER HOMEOWNERS TO LEGAL SERVICES, HOUSING COUNSELING, AND OTHER  
13 SOCIAL SERVICES THAT MAY ASSIST HOMEOWNERS TO PAY DELINQUENT TAXES  
14 AND IMPROVE THEIR FINANCIAL SITUATION; AND

15 (4) MAINTAIN A WEBSITE THAT FUNCTIONS AS A CLEARINGHOUSE FOR INFORMATION  
16 CONCERNING:

17 (I) THE PROCESS FOR COLLECTION OF DELINQUENT TAXES; AND

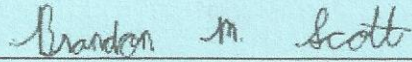
18 (II) SERVICES AND PROGRAMS THAT ARE AVAILABLE TO ASSIST HOMEOWNERS  
19 TO PAY DELINQUENT TAXES AND IMPROVE THEIR FINANCIAL SITUATION.

20 SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance  
21 are not law and may not be considered to have been enacted as a part of this or any prior  
22 Ordinance.

23 SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30<sup>th</sup> day  
24 after the date it is enacted July 1, 2021.

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Certified as duly passed this 19 day of October, 2020



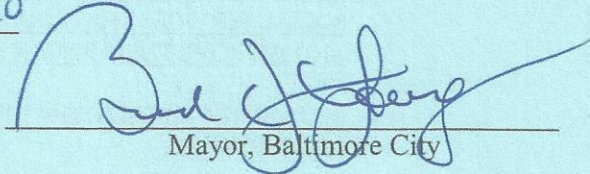
\_\_\_\_\_  
President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,


this 19 day of October, 2020

  
\_\_\_\_\_  
Chief Clerk

Approved this 2<sup>nd</sup> day of Nov., 2020

  
\_\_\_\_\_  
Mayor, Baltimore City

Approved for Form and Legal Sufficiency  
This 22nd day of October, 2020.

  
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Chief Solicitor