

**CITY OF BALTIMORE
COUNCIL BILL 10-0216R
(Resolution)**

Introduced by: Councilmember Conaway, President Young, Councilmembers Holton, D'Adamo, Stokes, Middleton, Welch, Clarke, Branch, Spector, Reisinger, Curran

Introduced and read first time: June 21, 2010

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Department of Housing and Community Development, Department of Public Works, Department of Finance, Department of Real Estate

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Request for State Legislation - Withholding Properties from Tax Lien Sales**

3 FOR the purpose of requesting the Honorable Chair and Members of the Baltimore City Senate
4 and House Delegations to the 2011 Session of the Maryland General Assembly to introduce
5 legislation to prevent unnecessary evictions by altering the procedures for collecting
6 government liens to allow municipalities to withhold liens for water bills and debts under
7 \$750 from inclusion in tax lien sales.

8 **Recitals**

9 Tax lien sales are an important tool in Maryland that allow local governments to collect
10 millions of dollars in obligations that would otherwise go unpaid. They also can be used to
11 encourage the reclamation and rehabilitation of privately owned vacant properties. In the
12 overwhelming majority of cases these sales do not result in the eviction of a homeowner from an
13 occupied home.

14 However, because of the State law requirement that local governments must offer all liens
15 over \$250 up for sale after a certain period of time, private investors are sometimes given the
16 right to foreclose on an occupied home for what began as a relatively small debt owed to the
17 City. Because Maryland law requires that liens resulting from any municipal charges - whether
18 for taxes, utilities, or other purposes - be treated the same, there have been extreme cases where
19 homeowners have ultimately been evicted for something as simple as failure to pay a water bill.

20 This is never the result sought by the City. Turning an owner-occupied home into another
21 vacant structure in exchange for a few hundred dollars more in the City's accounts is simply not
22 in Baltimore's long term interests. Unfortunately, under current State law the City lacks options
23 that would allow it to weigh whether or not selling a particular lien to a private investor is really
24 the most appropriate way to deal with a small, but difficult to collect, debt owed by a
25 homeowner.

26 If Maryland law were changed to give Baltimore some discretion in deciding whether or not
27 to include liens for debts under \$750, or arising from unpaid water bills, in its annual tax sale the
28 City would be able to deal with these small debts in a more individualized way that could

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 prevent counterproductive evictions, while still retaining a valuable tool to be used against
2 seriously delinquent property owners and vacant properties.

3 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
4 Honorable Chair and Members of the Baltimore City Senate and House Delegations to the 2011
5 Session of the Maryland General Assembly are urged to introduce legislation to prevent
6 unnecessary evictions by altering the procedures for collecting government liens to allow
7 municipalities to withhold liens for water bills and debts under \$750 from inclusion in tax lien
8 sales.

9 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Honorable
10 Chair and Members of the Baltimore City Senate and House Delegations to the 2011 Maryland
11 General Assembly, the Governor, the Mayor, the Mayor's Office of Intergovernmental
12 Relations, and the Mayor's Legislative Liaison to the City Council.