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**BALTIMORE CITY COUNCIL  
WAYS AND MEANS  
COMMITTEE**

*Mission Statement*

*The Committee on Ways and Means (WM)* is responsible for ensuring taxpayer dollars are expended prudently and equitably. WM will exercise regular oversight of the City's budget, expenditures, loans, and other financial matters. The committee's areas of jurisdiction include: budget & appropriations, taxation, financial services, consumer protection, audits, and the Comptroller's Office.

**The Honorable Eric T. Costello  
Chairman**

**PUBLIC HEARING**

**TUESDAY, JULY 20, 2021  
10:00 AM**

**VIRTUAL WEBEX MEETING**

***Council Resolution #21-0024R***

**Informational Hearing – Baltimore City Tax Sale**

# CITY COUNCIL COMMITTEES

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*Staff: Richard Krummerich*



**BILL SYNOPSIS**

**Committee:** Ways and Means

**Resolution:** 21-0024R

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**Informational Hearing – Baltimore City Tax Sale**

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**Sponsor:** Councilmember Ramos, et al

**Introduced:** February 22, 2021

**Purpose:**

**For the purpose of** inviting the Baltimore City Department of Finance, the Baltimore City Department of Housing and Community Development, the Comptroller, Baltimore City Information Technology, the Law Department, the Maryland Volunteer Lawyers Service and other relevant parties to provide information and complete details and timeline, and amounts of liens owed, disaggregated where appropriate by demographics, ages, owner-occupied versus non-owner-occupied, and number of residents who have owned their property for more than 25 years in tax sale this year; in addition, discussing the City’s powers related to the state, programs already in place to assist homeowners in tax sale, possible reforms, an update on implementation of the In Rem process for vacant and abandoned properties, and any other relevant information of interest to the Baltimore City Council.

**Effective:** Upon enactment.

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**Agency Reports**

Law Department	<i>Favorable/Comments</i>
Department of Housing and Community Development	<i>Favorable/Comments</i>
Comptroller	<i>Favorable/Comments</i>
Baltimore City Information Technology	<i>Favorable/Comments</i>
Department of Finance	<i>Favorable/Comments</i>

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## Analysis

### Current Law

Laws pertaining to Tax Sales:

- \* Baltimore City Charter - Article 2 – Subtitle 19 – Municipal Liens
- \* Baltimore City Charter – Article 2 – Subtitle 65 – Land Bank Authority
- \* Baltimore City Code – Article 28 – Taxes - Subtitle 4 -Collections, and
- \* Baltimore City Code – Article 28 – Taxes, Subtitle 6 – Division II – Property Tax

### Background

Tax sales are largely governed by State law, specifically the Maryland Code Annotated, Title 14 - Procedures, Subtitle 8 – Collections, Part III – Tax Sales – *See attached copy*.

*Also see attached copies of:*

- *Information obtain from the City’s Department of Finance website: Tax Sales*
- *Information obtain from the City’s Comptroller’s Office website: Department of Real Estate*
- *Laws – City of Baltimore*<sup>1</sup>

On Tuesday, July 20, 2021, representatives from city agencies and other pertinent organization(s) will come before the committee to discuss processes and issues relating to Baltimore City Tax Sales.

Per the primary sponsor, “I would like to hear about the entire process for tax sales and to know all who are involved.”<sup>2</sup>

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### Additional Information

**Fiscal Note:** None

**Information Source(s):** City Code, City Charter, State Law, Council Resolution 21-0024R, see footnotes below and all agency reports received as of this writing.

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*Marguerite M. Currin*

Analysis by: Marguerite M. Currin

Direct Inquiries to: (443) 984-3485

Analysis Date: July 19, 2021

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<sup>1</sup> See Current Law Section above along with related attachments

<sup>2</sup> The Honorable Odette Ramos, Councilmember, District 14

# Council Resolution 21-0024R

## AGENCY REPORTS

*See Attached Copies*

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CITY OF BALTIMORE

BRANDON M. SCOTT  
Mayor



DEPARTMENT OF LAW  
JAMES L. SHEA, CITY SOLICITOR  
100 N. HOLLIDAY STREET  
SUITE 101, CITY HALL  
BALTIMORE, MD 21202

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June 21, 2021

The Honorable President and Members  
of the Baltimore City Council  
Attn: Executive Secretary  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202

Re: City Council Bill 21-0024R – Informational Hearing – Baltimore City Tax Sale

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 21-0024R for form and legal sufficiency. This resolution is for the purpose of inviting representatives from Baltimore City Department of Finance, Department of Housing and Community Development, Information Technology, the Law Department, the Comptroller and others to appear before the City Council to discuss topics related to tax sales.

A resolution is an appropriate way for the City Council of Baltimore to conduct an investigative hearing. *See, e.g., Inlet Assocs. v. Assateague House Condominium*, 313 Md. 413, 428 (1988). Therefore, the Law Department approves this Resolution for form and legal sufficiency.

Very truly yours,

Hilary Ruley  
Chief Solicitor

cc: James L. Shea, City Solicitor  
Nina Themelis, Mayor's Office of Government Relations  
Elena DiPietro, Chief Solicitor, General Counsel Division  
Victor Tervalá, Chief Solicitor  
Ashlea Brown, Assistant Solicitor

## MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council  
c/o Natawna Austin, Executive Secretary

From: Alice Kennedy, Acting Housing Commissioner *AK*

Date: July 8, 2021

### **Re: City Council Resolution 21-0024R – Informational Hearing – Baltimore City Tax Sale**

The Department of Housing and Community Development (DHCD) has reviewed City Council Resolution 21-0024R for the purpose of inviting the Baltimore City Department of Finance, the Baltimore City Department of Housing and Community Development, the Comptroller, Baltimore City Information Technology, the Law Department, the Maryland Volunteer Lawyers Service and other relevant parties to provide information and complete details and timeline, and amounts of liens owed, disaggregated where appropriate by demographics, ages, owner-occupied versus non-owner-occupied, and number of residents who have owned their property for more than 25 years in tax sale this year; in addition, discussing the City's powers related to the state, programs already in place to assist homeowners in tax sale, possible reforms, an update on implementation of the *In Rem* process for vacant and abandoned properties, and any other relevant information of interest to the Baltimore City Council.

DHCD supports the intent of this Resolution to examine and improve the process for residents subject to Tax sale. The Resolution calls on various agencies and organizations to provide the Council with data on the 2021 tax sale. Specific to DHCD, the Resolution calls on the agency to discuss the programs in place to assist homeowners in Tax Sale, possible reforms for the tax sale process and to provide and update on the implementation of the *In Rem* process for vacant and abandoned properties.

#### **Tax Sale**

Tax Sale is the process in which Baltimore City sells property liens to generate revenue. Baltimore City pre-tax notices prompt 20,000-25,000 property owners annually to pay overdue Bills. A lien is a debt attached to a property. Properties are issued liens when they are delinquent on property tax payments or have received environmental citations for violations of Baltimore City codes related to sanitation, health, safety, and other quality-of-life issues. \$750 in liens qualifies owner occupied properties for Tax Sale.

DHCD's Office of Homeownership & Neighborhood Preservation, Tax Sale Coordination and Prevention Services Program, assists homeowners in avoiding tax sale and in understanding the tax sale process by; promoting tax sale clinics and conducting community-based information sessions. DHCD's Tax sale ombudsman connects homeowners with additional resources such as applications for State Homeowners and Homestead Tax credits. The ombudsman works

Brandon M. Scott, Mayor • Alice Kennedy, Acting Housing Commissioner

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with community partners like the Pro-Bono resource center, the United Way of Central Maryland and various counseling agencies that can assist home owners in applying for utility bill assistance or other public assistance.

Keeping low-income homeowners in their homes is a key strategy to preserving affordable housing in our city. The best way to help low-income homeowners with tax sales in Baltimore City is to help them avoid it. Once homeowners enter tax sale there are few resources to help them redeem their properties. DHCD supports creating payment plans, exploring funding sources to provide financial assistance to our most vulnerable homeowners who experience difficulty paying tax bills, and promotion of tax credit programs, like the Low-Income Senior Tax Credit, which is a supplement to the State's Homeowner Tax Credit program. Homeowners without their names on the deeds to their properties are ineligible for property tax credits, home improvement programs, and other sources of assistance that can lower household expenses and help make it easier to pay bills. The *My Home, My Deed, My Legacy* initiative is invaluable in providing legal assistance to make these changes

### ***Recommendation***

DHCD recommends the creation of additional 'ombudsman' roles within DHCD and sister agencies like the Bureau of Revenue Collections within the Department of Finance and the Environmental Control Board, to assist residents facing tax sale pay outstanding liens prior to Tax Sale Day. Additional cross-agency ombudsman positions could help answer questions that may arise throughout the tax sale process and connect homeowners with resources to help them take steps to stay out of tax sale.

### **In Rem Foreclosure**

In April 2020, DHCD introduced a Bill allowing for *in rem* foreclosure of vacant, high tax-lien properties. This ordinance was passed by the City Council and enacted in September 2020. It allows the city to pursue tax lien foreclosure and forego the tax sale and tax certificate system for vacant buildings and lots at DHCD's request. This process still requires the same due process and notification to owners as the Tax Certificate process, but the City can initiate the process at any time for qualifying properties.

The functional application of this legislation is DHCD will be able to acquire properties for redevelopment and assemble parcels much more efficiently than the current system. A major delay in acquisition by tax sale is it operates on a multi-year timeline and tax certificates expire after 2 years, which requires the City to wait until the next tax sale for a new certificate to be issued if a foreclosure action is not filed while the certificate is valid. Since there are thousands of vacant buildings and lots that cycle through successive tax sales, most certificates will expire before the city can file a foreclosure action. The in-rem tool will allow the city to file on vacant properties at the time of its choosing, without waiting for expired certificates to be reissued in successive years. This process will still likely be subject to court delays, but it may turn out to have a faster foreclosure timeline than tax sale foreclosure once a case is filed. This



legislation is in the process of being implemented. DHCD will file three initial pilot cases this summer and has identified 30 additional properties to foreclose on using this new in rem tool.

***Recommendation***

DHCD would have the capacity to increase *in rem* foreclosure filings with additional attorneys and paralegals. These positions should be funded in upcoming budget cycles. There are also delays in filing due to the necessity for obtaining title work. As title processors have more financial incentive to do private sector work over City work, there can be delays in obtaining a title. If the City had its own title processor, DHCD may be able to expedite the process.

**20-0593 Tax Sales - Properties Exempt from Sale**

DHCD has been working closely with the Department of Finance to implement City Council Bill 20-0593 aimed at protecting legacy and low-income homeowners from Tax sale. The recently enacted legislation allows the Director of Finance to withhold from tax sale certain properties that meet specific qualifications. DHCD is working closely with the Department of Finance to assist with development of the program and once launched, will assist with outreach and application processing.

The parameters of the program require that the assessed value of their home is \$250,000 or less, or that the homeowner has lived in their home as a primary residence for at least 15 years; and the homeowner has a total annual household earned income of less than \$36,000; or the homeowner is at least 65 years old and has an annual earned income of \$75,000 or less; or the homeowner is an adult currently receiving disability benefits from the Federal Social Security Disability Insurance Program or the Supplemental Security Income Program and has an annual earned income of \$75,000 or less.

In each tax year, the total amount of tax and lien exemptions for properties through this program may not exceed \$2 million. Once the cap of \$2 million in exempted liens is reached, applications will be closed. Eligible homeowners will be required to apply annually for this exemption.

***Recommendation***

DHCD recommends that the Mayor and City Council continue to include a line item in the annual ordinance of estimates to support the personnel required to carry out this program. An annual appropriation of \$500,000 is required to support the processing, review, and certification of applications, outreach and promotion of the program, as well as program oversight and reporting.

DHCD assists homeowners facing Tax Sale by providing a variety of supports through our Tax Sale Coordination and Prevention Services program. We will continue to work with the administration and sister agencies to assist homeowners in Tax Sale. The best way to help residents facing tax sale is to assist vulnerable populations pay their tax bill and by



funding programs to keep legacy homeowners in their homes, assist with deferred maintenance and repair and ensure the transfer of generational wealth.

DHCD **supports** the passage of City Council Resolution 21-0024R.

AK:mn,sm

cc: Ms. Themelis, Nina, *Mayor's Office of Government Relations*

**Brandon M. Scott**, Mayor • **Alice Kennedy**, Acting Housing Commissioner

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<b>FROM</b>	NAME & TITLE	Andy Frank, Acting Real Estate Director	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	AGENCY NAME & ADDRESS	Department of Real Estate, City Hall		
	SUBJECT	21-0024R - Informational Hearing - Baltimore City Tax Sale		

DATE:

**TO**

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

July 13, 2021

**Position: Support**

The Department of Real Estate is reporting on 21-0024R - Informational Hearing - Baltimore City Tax Sale. The purpose of this resolution is to learn more about the demographics of property owners in tax sale; discussing the City’s powers related to the state; programs already in place to assist homeowners in tax sale; possible reforms; an update on implementation of the In Rem Foreclosure process for vacant and abandoned properties; and any other relevant information of interest to the Baltimore City Council.

**Background**

The Comptroller’s Department of Real Estate operates three programs that relate in different ways to the Baltimore City Tax Sale. Six months after the Director of Finance holds the annual tax sale, any certificates that were not acquired are referred to the DoRE to sell to the public. Currently, the DoRE is responsible for over 1,300 certificates from the 2020 tax sale. The complete list of these certificates’ property addresses, owners, liens, and other information can be found on the DoRE’s website: <https://comptroller.baltimorecity.gov/realestate/functions>

The three programs are:

- **Vendor Lien Program.** Properties in the vendor lien program (VLP) must be vacant and have municipal liens that exceed the assessed value of the property. Under the program, developers can negotiate a reduction in municipal liens in exchange for a commitment to return the property to productive use, which generally means renovating the property for homeownership or rental. The renovation of these vacant homes has a positive impact on the neighborhoods in which they are located. Without the reduction in liens, the financially upside-down property is not economically feasible to redevelop. Under the program, the purchaser of the tax sale certificate pays the greater of the assessed value or the sum of the base taxes and water bill. Once the Board of Estimates has approved the lien reduction, the purchaser is responsible for the process of foreclosing on the right of redemption.
- **Traditional Purchase.** If a certificate is not eligible for the VLP, it is still available for purchase. Certificates are sold for the amount of the lien without negotiated reduction. The majority of traditional purchasers are still vacant.
- **Legacy Properties.** The City owns about 1,300 properties, mostly lots, that were acquired by tax sale in the more than 20 years ago. DoRE has the authority to sell these properties. This process is summarized in a memo send from the Law Department to the Comptroller’s Office.

In order to resell this subset of City-owned property that the City has acquired via the tax sale process, the Comptroller’s office must create a list of property, from “time to time,” arranged by Councilmanic District, and given to the President and Members of the City Council. City Code, Art. 28, § 8-3(b). The City Council must then publish the list in the City Council’s Journal. City Code, Art. 28, § 8-3(b).

The City Councilmembers then have 30 days from publication to object to the Comptroller's reselling of these properties in the method provided in Section 8-3. City Code, Art. 28, § 8-3(b)(2), (c). Any properties that City Councilmembers object to selling must be removed from the list. City Code, Art. 28, § 8-3(c)(1). Those properties able to be sold by the Comptroller from the certified list still need approval of the Board of Estimates and any deed must be approved by the City Solicitor for form and legal sufficiency. City Code, Art. 28, § 8-3(d.)

**The Department of Real Estate supports the passage of City Council Resolution 21-0024R.**

CC: Celeste Amato, Chief of Staff  
Erika McClammy, Deputy Comptroller

F R O M	NAME & TITLE	Todd Carter Chief Information Officer	CITY of	
	AGENCY NAME & ADDRESS	Baltimore City Office of Information and Technology (BCIT) 401 E Fayette Street, 3 <sup>rd</sup> floor	BALTIMORE	
	SUBJECT	<b>City Council Bill 21-0024R – Informational Hearing - Baltimore City Tax Sale</b>	M E M O	

TO: The Honorable President and  
Members of the City Council  
Room 400 City Hall  
c/o Natawna Austin, Executive Secretary

March 26, 2021

*Todd A. Carter*

The Baltimore City Office of Information & Technology (BCIT) has reviewed Council Bill 21-0024R. The purpose of this bill is to invite the Baltimore City Department of Finance, the Baltimore City Department of Housing and Community Development, the Comptroller, Baltimore City Information Technology, the Law Department, the Maryland Volunteer Lawyers Service and other relevant parties to provide information and complete details and timeline, and amounts of liens owed, disaggregated where appropriate by demographics, ages, owner-occupied versus non-owner-occupied, and number of residents who have owned their property for more than 25 years in tax sale this year; in addition, to discuss the City's powers related to the state, programs already in place to assist homeowners in tax sale, possible reforms, an update on implementation of the *In Rem* process for vacant and abandoned properties, and any other relevant information of interest to the Baltimore City Council.

The Baltimore City Office of Information & Technology has reviewed this legislation and welcomes the opportunity to participate in this hearing. BCIT is happy to provide what data is available to us. Of the demographics requested, BCIT can provide data about properties that are owner-occupied vs. non-owner occupied, and BCIT can distinguish those over that have owned their property for more than 25 years. However, BCIT is unable to provide any age-related information.

If you have any questions, please contact Leyla Layman, Chief of Staff, at (443) 202-4511.

cc: Ms. Natasha Mehu, Mayor's Office of Government Relations  
Ms. Nina Themelis, Mayor's Office of Government Relations

*BaltAC*

<b>FROM</b>	<b>NAME &amp; TITLE</b>	Robert Cename, Budget Director	<b>CITY of BALTIMORE MEMO</b>	
	<b>AGENCY NAME &amp; ADDRESS</b>	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	<b>SUBJECT</b>	City Council Bill 21-0024R – Informational Hearing- Baltimore City Tax Sale		

DATE:

**TO**

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

July 19, 2021

The Department of Finance is herein reporting on City Council Bill 21-0024R, Informational Hearing-Baltimore City Tax Sale, the purpose of which is to provide information in connection with the tax sale process in Baltimore City.

The City of Baltimore holds a tax lien certificate sale normally on May of each year. The tax sale is used to collect delinquent real property taxes and other unpaid charges owed to the City, all of which are liens against the real property.

The Department of Finance will attend the hearing for this Resolution to respond to any fiscal inquiries and has prepared a presentation to address the provisions outlined in this bill.

cc: Henry Raymond  
Natasha Mehu  
Nina Themelis

# Council Resolution 21-0024R

## *Attached Copies:*

- *Maryland Law*
- *Information – Department of Finance*
- *Information – Department of Real Estate*
- *City Code – Law (Tax Sales)*
- *City Charter – Law (Tax Sales)*

# **2019 Maryland Code**

## **Tax - Property**

### **Title 14 - Procedure**

#### **Subtitle 8 - Collection**

#### **Part III - Tax Sales**

- § 14-808. Sale by collector; exceptions
- § 14-809. Sale by municipal collector after notice to county collector; special provisions as to Calvert County and Garrett County
- § 14-810. Notice to other taxing agencies; certification of taxes due other agencies; failure to certify; deductions from collections in Cecil and Carroll counties; collection fees in code counties
- § 14-811. Properties which may be withheld from sale
- § 14-812. Notice of sale
- § 14-813. Notice by advertising; expense a lien on property
- § 14-814. Property to be sold as entirety
- § 14-815. Not necessary to sell personal property of owner
- § 14-816. Sale of property subject to a ground rent
- § 14-817. Sale at public auction
- § 14-817.1. Sale at public auction -- Notice to owner after sale
- § 14-818. Payment of purchase price
- § 14-819. Owner unlocated
- § 14-820. Certificate of sale -- In general
- § 14-821. Certificate of sale -- Assignment
- § 14-822. Certificate of sale -- Recording
- § 14-823. Certificate of sale -- As evidence

- § 14-824. Purchase by county commissioners or other taxing agencies -- In general
- § 14-825. Purchase by county commissioners or other taxing agencies -- Right to sell property
- § 14-826. Purchase by governing body of county or other taxing agencies or transfer to land bank authority -- Payment of tax claims of other taxing agencies or of the State.
- § 14-827. Right of redemption
- § 14-828. Required payments; interest rate on redemption; notice to holder of certificate; execution of certificate
- § 14-829. Fixing amount necessary for redemption after action to foreclose instituted
- § 14-830. Rights during redemption period; receivers; possession and rents; conservation expenses added to redemption amount
- § 14-831. Assessment during redemption period; assessment to certificate holder; subsequent taxes must be paid before deed is delivered
- § 14-832. Construction of sections
- § 14-832.1. Foreclosure of rights of redemption by tax sale purchasers in Queen Anne's County
- § 14-832.2. Foreclosure of rights of redemption by tax sale purchasers in Queen Anne's County -- Ratified and confirmed sales
- § 14-832.3. Foreclosure of rights of redemption by tax sale purchasers in Queen Anne's County -- Proceedings to set aside or modify title
- § 14-833. Complaints by holders of certificates of sale to foreclose right of redemption; exceptions
- § 14-834. Jurisdiction of court
- § 14-835. Form of complaint
- § 14-836. Parties
- § 14-837. How unknown owner made party
- § 14-838. Affidavit of search
- § 14-839. Issuance of process
- § 14-840. Notice by publication
- § 14-842. Validity of taxes and sale presumed unless attacked in answer
- § 14-843. Plaintiff or holder of certificate of sale reimbursed for expenses incurred
- § 14-844. Final order
- § 14-845. Reopening judgments; judgment conclusive
- § 14-846. Judgment bars redemption only in property described therein
- § 14-847. Purchaser's deed; failure to comply with terms of judgment as to payments
- § 14-848. Judgment declaring sale void

- § 14-849. Sale of property for failure to pay alley assessment charge in Baltimore City
- § 14-849.1. Sale of property to enforce lien for water and sewer service.
- § 14-850. Obtaining possession
- § 14-851. Repeal of inconsistent acts; Allegany County exempt
- § 14-852. Tax sales
- § 14-853. Purchase by the State of property taken in execution of State suit to recover taxes
- § 14-854. Special provision for less than full year property

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## 2019 Maryland Code

### Tax - Property

#### Title 14 - Procedure

#### Subtitle 8 - Collection

#### Part III - Tax Sales

### § 14-811. Properties which may be withheld from sale

**Universal Citation:** MD Tax-Prop Code § 14-811 (2019)

(a) Except as provided in subsections (b) and (e) of this section, the collector may withhold from sale any property, when the total taxes on the property, including interest and penalties, amount to less than \$250 in any 1 year.

(b) (1) The collector may withhold from sale any residential property, when the total taxes on the property, including interest and penalties, amount to less than \$750.

(2) In Baltimore City, the collector shall withhold from sale owner-occupied residential property, when the total taxes on the property, including interest and penalties, amount to less than \$750.

(3) In Baltimore City, the collector shall withhold from sale residential property or property that is exempt from taxation under § 7-204(1) or (2) of this article, if the taxes on the property consist only of a lien for unpaid charges for water and sewer service.

(c) Except as provided in subsection (d) of this section, the governing body of a county or municipal corporation may withhold from sale property that has been designated for

redevelopment purposes if:

(1) the county or municipal corporation certifies that the property:

(i) is a vacant lot; or

(ii) has a building or structure that is:

1. vacant; and

2. unsafe or unfit for habitation;

(2) the governing body of the county or municipal corporation finds that withholding the property from sale under this subsection is necessary:

(i) to eliminate a blighting influence; and

(ii) to prevent the tax abandonment of the property; and

(3) the property meets any additional objective criteria established by the governing body of the county or municipal corporation for withholding property from sale for redevelopment purposes.

(d) Baltimore City may withhold from sale property that has been designated for redevelopment purposes if the property meets objective criteria established by the Mayor and City Council of Baltimore City.

(e) The collector shall withhold from sale under this part of this subtitle any real property designated by the governing body of a county or municipal corporation for foreclosure and sale under Part V of this subtitle.

(f) (1) In this subsection, “dwelling” and “homeowner” have the meanings stated in § 9–105 of this article.

(2) The governing body of a county or municipal corporation may withhold from sale a dwelling owned by a homeowner who is low-income, at least 65 years old, or disabled if the homeowner meets eligibility criteria established by the county or municipal corporation.

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**adequacy of the information contained on this site or the information linked to on the state site. Please check official sources.**

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## Tax Sale Information – Baltimore City

The City's Finance Department and its Bureau of Revenue Collections want to assist the public by providing information about the tax sale, where to obtain help if your property is eligible for tax sale or in tax sale, and how to keep your property out of tax sale. For specific questions, please call us at 410-396-3987 or e-mail us at [BaltimoreCityCollections@BaltimoreCity.gov](mailto:BaltimoreCityCollections@BaltimoreCity.gov).

The City of Baltimore holds an annual tax lien certificate sale. The tax sale is used to collect delinquent real property taxes and other unpaid charges owed to the City, all of which are liens against the real property. It is a public, online auction of City lien interests on properties. The highest bidder in the auction pays the total amount of the property liens to the City and receives a tax sale certificate from the City which gives the bidder the right to obtain ownership of the property by filing a tax sale foreclosure lawsuit.

The owner of the property can prevent the highest bidder from obtaining ownership by "redeeming" the property. Redemption requires the owner or an interested party, such as a mortgage holder, to reimburse the successful bidder for the amount of liens and other charges paid to the City, as well as the bidder's interest and other fees and costs set by law.

The Menu on the left lists various issues related to the tax sale process. Clicking on any of the issues will provide additional and valuable information about City tax sale resources. The list below provides links to other tax sale resources available from private groups and State government.

- [TaxSaleHelpBaltimore.org](http://TaxSaleHelpBaltimore.org) for general tax sale assistance
- [Veterans.Maryland.gov](http://Veterans.Maryland.gov) for information about tax exemptions for veterans
- [DAT.State.MD.US](http://DAT.State.MD.US) for information about tax credits, exemptions, and assessments

## Tax Sale Information – Baltimore City

### **Tax Sale Process**

The annual tax sale process begins in the first week of February when the City mails a Final Bill and Legal Notice to the property owner of record at the address on file in the City's real property database. The notice lists all of the delinquent City taxes and charges due through the last day of February. If the amounts that are due remain unpaid, then additional penalty or interest charges may continue to accrue for each unpaid item.

### **Tax Sale Timetable**

- March: The complete list of properties still eligible for tax sale is published twice in two newspapers of general circulation during the month of March.
- Early April: The City mails a second tax sale notice to the same property address during the first week of April. The amounts included in the second notice are due and valid until the last day of April, the last day to pay all of the outstanding taxes and charges owed the City to avoid tax sale.
- Mid-May: The annual tax sale is normally held during the third week in May.
- Late May: Redemption can begin. Redemption involves the owner, or an interested party such as a mortgage holder, reimbursing the bidder an amount of interest and other fees and costs. If a property is not redeemed by July 1, then the new fiscal year's real property taxes also must be paid to redeem the property.

### **Redemption Process**

Once a successful bidder has paid to the City all of the taxes and charges listed in the tax sale for a property, the property owner may only redeem their property by reimbursing the bidder. The sooner a property is redeemed, the lower the additional charges imposed by the bidder will be.

- Four months after the tax sale, other fees and costs may be added to the redemption amount.

- Six months after the sale, the successful bidder may file a lawsuit to foreclose the right of redemption on non-owner occupied residential properties.
- More fees and costs may be added seven months after the tax sale on owner occupied properties.

The successful bidder may file a lawsuit to foreclose the right of redemption nine months after the tax sale on owner occupied properties. Fees and most costs are defined by State law and are owed to bidder, not to the City. The City has no power to waive or to reduce the fees and costs set by State law.

It is important to note that the earlier a property is redeemed, the smaller the amount to redeem will be. Delay causes the costs to increase significantly.

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## Tax Sale Information – Baltimore City

### **Real Property Tax Bills**

The largest portion of the City's revenue, about 28 percent, comes from real property taxes. The City sets an annual real property tax rate. For fiscal 2015/2016, the rate is \$2.248 per \$100 of assessed value.

The value of each parcel in the City is set by the State Department of Assessments and Taxation. The City's real property tax for the parcel then is determined by multiplying the City's tax rate times the State's assessment. For example, the City tax on a property assessed at \$100,000 is \$2,248.

Through its real property tax bills, the City also collects the State's real property tax and remits it to the State. The current State tax rate is \$.112 per \$100 of assessed value. Exemptions and credits may reduce the total taxes due on a property.

It is the owner's responsibility to provide the bill to his or her mortgage lender.

### **Bills Arrive in July**

The City mails real property tax bills on July 1 each year. They are due when issued but the City allows a discount of ½ percent if paid on or before July 31. Interest of 1 percent and penalty of 1 percent per month are imposed if the City taxes are not paid before October 1st. The existence of a pending assessment appeal does not excuse non-payment. If an owner's appeal is successful, then the City will refund the appropriate amount plus interest. Revised bills can be paid without interest and penalty if paid within 30 days of issuance.

### **Paying in Installments**

State law permits real property taxes on owner-occupied residences and some small business to be paid in two equal installments, the first payment due in July and the last payment before January 1. A small service fee is added to the second installment.

Because real property tax bills are issued each year, a property owner is responsible for knowing that taxes are due and for paying them – even if the owner does not receive a bill in the mail.

### **Obtaining Tax Information**

Tax information, including open balances and the address where the City mails an owner's bill, is available online at [BaltimoreCity.gov](http://BaltimoreCity.gov), by calling **410-396-3987**, or by

visiting **Counter 2 in the Wolman Municipal Building**, 200 Holliday St., and any weekday between 8:30 a.m. to 4:30 p.m. The City also accepts advance payments on the next year's real property tax bills.

## **Tax Sale**

If taxes on non-owner occupied properties remain delinquent by at least \$250, or by at least \$750 for owner-occupied residences, then the property becomes eligible for inclusion in the next annual tax sale. The property owner will receive a Final Bill and Legal Notice by mail from the City in early February.

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# Tax Sale Information – Baltimore City

## **Change of Address for City Bills**

It is the property owner's responsibility to provide the City with the correct contact person and mailing address for receipt of all City information, notices, tax bills and other municipal charges. Failure to do so does not remove the property owner's obligation to pay these taxes and charges.

## **Verifying Mailing Address**

If you have not received a real property tax bill by July, check to verify that the correct address is listed in the City's land records. This information can be determined by viewing your bill online at [BaltimoreCity.gov](http://BaltimoreCity.gov).

City agencies, including the [Department of Public Works](#), [Environmental Control Board](#), and the [Department of Housing and Community Development](#), may have an address in their files different than what is listed in the City's land records.

## **How to Change Mailing Address**

To change an address in the City's land records, please call **Property Location at 410-396-3800**. Please contact other City agencies directly to request an address change. If mail is being forwarded, please contact the local Post Office to ensure that mail from the City is being sent to the correct address.

Each year before the May tax sale, the City mails notices to owners whose properties are eligible for inclusion in the tax sale:

- The first notice is a Final Bill and Legal Notice, mailed in the first week of February.
- The second notice is a letter, mailed in the first week in April.
- A post-tax sale informational letter is mailed during the first week of July.

**All three documents are mailed to the owner of the property at the address on file in the City's land records.**

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# Tax Sale Information – Baltimore City

## **Community Resources**

Baltimore City homeowners who are facing difficulty paying delinquent tax, water, or environmental citation bills, or who face a lien sale or foreclosure, may be able to access assistance programs through the City or other community providers. These organizations have workers who are trained and knowledgeable about City agencies' policies regarding outstanding bills and can advise on steps that can be taken to address the homeowner's problem.

- If you have a question about your tax bill, please call the Department of Finance at 410-396-3987.
- If you have a question about your water bill, please call the Department of Public Works at 410-396-5398.
- If you have a question about a bill from the Environmental Control Board, please call 410-396-6909.

If you have already contacted one of these departments, and are still seeking assistance, there are organizations available to provide guidance. It is recommended that you begin by contacting one of the following two organizations in the Baltimore City government:

- The Community Action Program (CAP) can be contacted at one of the following locations, depending on where you live.
  - Southeast Community Action Center: 410-545-6518
  - Eastern Community Action Center: 410-545-0136
  - Northwest Community Action Center: 443-984-1384
  - Southern Community Action Center: 410-545-0900
  - Northern Community Action Center: 410-396-6084
- Those 55 or older may contact Maryland Access Point at 410-396-2273. On the phone, Maryland Access Point service providers will either answer your questions or refer you to a specialist service organization.

A comprehensive list of helpful organizations, their functions, and contact information are included in the [Baltimore City Resource Guide for Tax Sale and Tax Foreclosure](#) prepared by the [Pro Bono Resource Center of Maryland](#). In times of need, this Resource Guide may be valuable.

In addition, [www.TaxSaleHelpBaltimore.org](http://www.TaxSaleHelpBaltimore.org), an interactive web page, will help you assess your need and recommend next steps you need to take. Many of these organizations have workers who are trained and knowledgeable about City policies for outstanding bills and can help advise you on steps that can be taken to address your concerns.

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# COMPTROLLER'S OFFICE

## Department of Real Estate

The Department of Real Estate (DORE) manages the City's real estate assets. The DORE is responsible for a variety of functions related to real property owned by the city, including:

- Disposition of real property owned by the city
- Leasing city-owned property to agencies and other parties
- Acquisition of real estate for the city
- Reviewing real estate-related transactions and development proposals for city-owned real property
- Providing technical assistance to community development corporations and other developers
- Maintenance of a repository of unsold tax certificates after the annual tax sale
- Management of Broadway Pier
- Processing applications for telecommunications equipment on City property

### Tax Sale Certificates

The Director of Finance, through the Bureau of Collections, holds an auction sale in May of each year offering the public the right to purchase a tax sale certificate on those properties which have delinquent liens (taxes, water & sewer charges, boarding, cleaning, and razing). Upon the completion of the tax sale, certificates that were not acquired are assumed by the City.

These certificates then become the responsibility of the Office of the Comptroller through the Department of Real Estate and are eligible for purchase. Purchasing tax sale certificates afford the purchaser, under certain conditions, the right to foreclose against the title owners in an effort to acquire title.

## Vendor lien program

Some tax sale certificates are eligible for purchase via the vendor lien program.

Properties in the vendor lien program (VLP) must be vacant and have municipal liens that exceed the assessed value of the property. Under the program, developers can negotiate a reduction in municipal liens in exchange for a commitment to return the property to productive use, which generally means renovating the property for homeownership or rental. Without the reduction in liens, the financially upside-down property is not economically feasible to redevelop. Under the program, the purchaser of the tax sale certificate pays the greater of the assessed value or the sum of the base taxes and water bill.

## Traditional Purchase

If a certificate is not eligible for the VLP, it is still available for purchase. Certificates are sold for the amount of the lien without negotiated reduction.

## Purchasing guide

***Please note that the information contained herein does not constitute legal advice. It is the responsibility of each constituent to verify the accuracy of the following information.***

See the Listing of 2020 Tax sale Certificates properties from the links below

- [Click here for Alphabetical Listing](#)
  - [Click here for Sort by Zip Code](#)
  - [Click here for Sort by Zoning Code](#)
1. Contact the Department of Real Estate, [\(410\) 396-4768](tel:(410)396-4768) or the Tax Sale Division [\(410\)-396-3981](tel:(410)396-3981) and ask for the cash amount needed to acquire the certificate.
  2. The tax assignment cost is calculated by adding interest on the lien at the rate of 1-½ % per month or any portion thereof from the date of the public auction in May to the date payment is to be made. In addition, any assignments after July 1<sup>st</sup> of each year requires the payment of taxes for that fiscal year.
  3. The tax sale certificate may be obtained from the Tax Sale Division six (6) months after the public auction date in May. The six-month period may

be reduced to sixty days upon certification by the Commissioner of the Department of Housing and Community Development that the property is vacant and requires substantial repairs to comply with the Baltimore City Building Code.

4. Upon receiving the certificate, the holder should employ an attorney to institute the required legal proceedings in an effort to place title in the holder's name.
5. The papers are then filed in court system. The court will set a date at which time the owner of the property must redeem the property and reimburse the purchaser for costs incurred. If at expiration the property has not been redeemed, the court will issue a final decree to foreclose the owner's right of redemption.
6. The property may be redeemed by anyone with a present title interest up until the foreclosure case is completed. The person redeeming the certificate must refund the holder liens paid, taxes advanced, interest on the lien at 1-½ % per month from the date of tax sale to date of redemption, and legal expenses, if incurred, for closing the right of redemption.
7. The holder of the certificate has no property rights until the foreclosure process is completed and title is transferred.
8. The holder of the certificate is responsible for any City liens placed against the property subsequent to the date of the tax sale in May. The tax sale certificate holder is fully responsible for such costs or repairs provided the title is obtained.
9. If the property was cited as vacant by the Department of Housing as of the tax sale date in May, special attention must be given to the foreclosure case. Be sure to read the important notice on the reverse side of the tax sale certificate which clearly states that the certificate will be void and all monies paid forfeited if the foreclosure proceedings are not filed within one (1) year from the date of said tax sale certificate. If the property was cited as occupied, proceedings must be filed within two (2) years from the date of said certificate.

# City Code

*See Attached Copies*

**SUBTITLE 4  
COLLECTIONS**

**§ 4-1. Director to collect.**

(a) *Personal property taxes.*

The Director of Finance is directed to collect taxes on personalty within 1 year from the date of the levy thereof, and at the expiration of the said period of 1 year, payment of all personal taxes then remaining unpaid shall be enforced by process of law.

(b) *Real property taxes.*

Taxes levied on real estate he is directed to collect as now provided by law.  
(*City Code, 1893, art. 50, §70; 1927, art. 46, §79; 1950, art. 37, §48; 1966, art. 28, §47; 1976/83, art. 28, §20.*) (*Res. 1880-063; Ord. 76-141.*)

**§ 4-2. Banks as tax-collection agents.**

(a) *In general.*

The Director of Finance of the City of Baltimore is hereby authorized and directed, from time to time as may in his judgment seem necessary or desirable for the convenience of the public, to appoint banks, trust companies, and other financial institutions to act as agents of the said Director in the collection of State and City taxes, water rents, fees, and other charges:

- (1) provided that the financial institutions hereinabove mentioned are chartered by the United States of America or the State of Maryland and have authority under their charters to receive and hold money on deposit; and
- (2) provided further that they have been previously designated and approved for the purpose by the Board of Finance.

(b) *Forms.*

The Director is further authorized and directed to provide and establish such forms of receipts, blanks for daily reports, and other material as he may deem necessary in the execution of this section.

(c) *Effect.*

Municipal bills receipted by any financial institution so appointed shall have the same force and effect as if the same has been receipted by the Director.

(d) *Agreements.*

No agreement made by the Director with any bank or trust company pursuant to the authority granted by this section shall be binding on the City until it shall have been approved by the Board of Estimates.

(City Code, 1950, art. 37, §34; 1966, art. 28, §35; 1976/83, art. 28, §4.) (Ord. 28-512; Ord. 35-034; Ord. 47-057; Ord. 65-503.)

§ 4-3. *{Reserved}*§ 4-4. **Warning of lien and potential foreclosure.**(a) *Scope of section.*(1) *In general.*

Except as provided in paragraph (2) of this subsection, this section applies to every bill, invoice, or other statement issued by or for the City to collect a tax, fee, or other charge that, by operation of law, constitutes a lien on real property.

(2) *Exceptions.*

This section does not apply to water and wastewater bills for:

- (i) a residential property; or
- (ii) a property that is owned by a religious group or organization and is exempt from taxation under § 7-204(1) or (2) of the State Tax-Property Article.

**EDITOR'S NOTE:** The preceding subsection (a) was amended by Ordinance 20-336 {"Water Accountability and Equity Act"} to add an exception for certain water and wastewater bills. That Ordinance was enacted on January 13, 2020, but with a delayed effective date of July 13, 2020. Subsequently, Ordinance 20-468 {"Water Accountability ... Act – Modifications"} extended the effective date for this exception to Jan, 13, 2021. See Editor's Note in City Code Article 24 {"Water"}, at the end of that article's Subtitle 2 {"Bills"} – especially the quote there from Ord. 20-468, Sections 3 and 5(e)(5).

(b) *Warning required.*

Each bill, invoice, or other statement to which this section applies shall contain the following warning, prominently and conspicuously displayed in bold face type:

**"WARNING: These charges are a lien on the property identified. Failure to timely pay these charges can lead to sale of the lien at auction and possible foreclosure of the property identified. Foreclosure can result in the loss of ownership of the property."**

(Ord. 15-411; Ord. 20-336.)

***DIVISION II: PROPERTY TAX*****SUBTITLE 6  
DISCOUNTS, INTEREST, AND PENALTIES****§ 6-1. Discounts authorized.**

On all bills for taxes for municipal purposes for real estate, chattels real, and personal property levied and imposed for a taxable year, the Director of Finance shall allow a discount of 0.5% if paid on or before July 31.

*(City Code, 1927, art. 46, §43; 1950, art. 37, §43; 1966, art. 28, §41; 1976/83, art. 28, §11.)  
(Ord. 27-196; Ord. 47-109; Ord. 48-538; Ord. 49-900; Ord. 55-1381; Ord. 59-024; Ord. 60-429;  
Ord. 66-794; Ord. 68-041; Ord. 69-357; Ord. 10-339.)*

**§ 6-2. Interest and civil penalties imposed.****(a) Bills rendered before September 1.**

(1) All ordinary City taxes which are due and payable on July 1 for any year shall be overdue and in arrears on October 1 of the same calendar year, and from and after that date they shall bear, until paid:

(i) interest at the rate of 1% for each month and fraction thereof; and

(ii) penalty at the rate of 1% for each month and fraction thereof.

(2) The foregoing due dates as stipulated in this subsection shall apply to all taxes based upon assessments reported to the Director of Finance provided that the bill therefor is rendered on or before August 31 in the taxable year for which such taxes apply.

**(b) Bills rendered on or after September 1.**

(1) Taxes based upon assessments reported to the Director of Finance, bills for which are rendered after August 31, in the taxable year for which such taxes apply, will be considered delinquent 30 days after the date of the bill therefor.

(2) Such bills, if not paid within the 30-day period, shall bear, until paid:

(i) interest at the rate of 1% for each month and fraction thereof; and

(ii) penalty at the rate of 1% for each month and fraction thereof.

**(c) Escaped or omitted property.**

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

(d) *Collection.*

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.

(City Code, 1927, art. 46, §44; 1950, art. 37, §44; 1966, art. 28, §42; 1976/83, art. 28, §12.) (Ord. 23-069; Ord. 24-283; Ord. 50-1444; Ord. 58-1598; Ord. 58-1615; Ord. 59-025; Ord. 66-847; Ord. 67-1017; Ord. 68-042; Ord. 69-356; Ord. 73-380; Ord. 81-366; Ord. 82-656; Ord. 83-929.)

## § 6-3. Three-quarter year taxes.

(a) *In general.*

(1) Pursuant to the provisions of State Tax-Property Article §§ 10-104, 14-604, and 14-702, there is hereby levied a tax on any real property completed during the period after July 1 in any year and through September 30, or otherwise first added to the assessment rolls during such period, for the 9 months beginning on October 1 and ending on the next succeeding June 30.

(2) Taxes for these 9 months shall be computed by using the assessed valuation of the property at  $\frac{3}{4}$  the current annual tax rate, and taxes imposed for these 9 months shall be due and payable as of the specified day of October 1 or as of the day a tax bill therefor was or reasonably should have been received or made available, whichever is the later date.

(b) *Interest and civil penalties.*

All such bills shall be overdue and in arrears on the next succeeding January 1 or 30 days after the bill for the taxes has been mailed or made available, whichever is the later date, and shall bear, until paid:

- (1) interest at the rate of 1% for each month and fraction thereof; and
- (2) penalty at the rate of 1% for each month and fraction thereof until paid.

(c) *Escaped or omitted property.*

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

(d) *Collection.*

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.

(City Code, 1976/83, art. 28, §13.) (Ord. 67-1100; Ord. 68-085; Ord. 69-454; Ord. 73-382; Ord. 81-366; Ord. 82-656; Ord. 83-929; Ord. 99-526.)

**§ 6-4. One-half year taxes.****(a) In general.**

- (1) Taxes levied pursuant to State Tax-Property Article §§ 10-103, 14-604, and 14-702, on any real property completed during the period after October 1 in any year and through January 1 in the next succeeding year shall be computed by using the assessed valuation of the property at  $\frac{1}{2}$  the current annual tax rate.
- (2) Taxes imposed for these 6 months shall be due and payable as of the specified day of January 1 or as of the day a tax bill therefor was or reasonably should have been received or made available, whichever is the later date.

**(b) Interest and civil penalties.**

All such bills shall be overdue and in arrears on the next succeeding April 1 or 30 days after the bill for the taxes has been mailed or made available, whichever is the later date, and shall bear, until paid:

- (1) interest at the rate of 1% for each month and fraction thereof; and
- (2) penalty at the rate of 1% for each month and fraction thereof.

**(c) Escaped or omitted property.**

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

**(d) Collection.**

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.

*(City Code, 1966, art. 28, §43; 1976/83, art. 28, §14.) (Ord. 65-714; Ord. 83-929)*

**§ 6-5. One-quarter year taxes.****(a) In general.**

- (1) Pursuant to the provisions of State Tax-Property Article §§ 10-105, 14-604, and 14-702, there is hereby levied a tax on any real property completed during the period after January 1 in any year and through March 30, or otherwise first added to the assessment rolls during such period, for the 3 months beginning on April 1 and ending on the next succeeding June 30.
- (2) The taxes for these 3 months shall be computed by using the assessed valuation of the property at  $\frac{1}{4}$  the current annual tax rate, and taxes imposed for these 3 months shall be due

and payable as of the specified day of April 1 or as of the day a tax bill therefor was or reasonably should have been received or made available, whichever is the later date.

(b) *Interest and civil penalties.*

All such bills shall be overdue and in arrears on the next succeeding July 1 or 30 days after the bill for the taxes has been mailed or made available, whichever is the later date, and shall bear, until paid:

- (1) interest at the rate of 1% for each month and fraction thereof; and
- (2) penalty at the rate of 1% for each month and fraction thereof.

(c) *Escaped or omitted property.*

In all instances of escaped or omitted property, the penalties and interest herein provided shall be added to the bill for the current year and back years in the same manner as if such property had not escaped or been omitted.

(d) *Collection.*

The penalties and interest provided for shall be added to the bill for taxes itself and collected by the Director of Finance in the same manner as taxes are collected.  
(City Code, 1976/83, art. 28, §15.) (Ord. 66-894; Ord. 67-1018; Ord. 68-086; Ord. 69-455; Ord. 73-381; Ord. 81-366; Ord. 82-656; Ord. 83-929.)

**SUBTITLE 7**  
**SEMIANNUAL PAYMENTS FOR OWNER-OCCUPIED DWELLINGS**

**§ 7-1. Definitions.**

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *"Owner-occupied residential property".*

"Owner-occupied residential property" has the meaning stated in State Tax-Property Article § 10-204.3.

(City Code, 1976/83, art. 28, §16B(a).) (Ord. 94-323; Ord. 03-534.)

**§ 7-2. Election of semiannual payment.**

The real property taxes due on any owner-occupied residential property may be paid on a semiannual payment schedule as provided in State Tax-Property Article § 10-204.3.  
(City Code, 1976/83, art. 28, §16B(b), (c).) (Ord. 94-323; Ord. 03-534.)

**§ 7-3. Service charge.**

(a) *Charge imposed.*

A property owner electing to pay real property taxes under a semiannual payment schedule shall pay a service charge annually with the 2<sup>nd</sup> installment.

(b) *Charge as lien.*

The service charge and all interest and penalties due on the principal amount shall be a lien on the property of any person liable for the charge, interest, and penalties, and the lien shall be recorded and collected in the same manner as taxes are collected.

(c) *Amount of charge.*

The Mayor and City Council shall set the service charge in accordance with the requirements and limitations of State Tax-Property Article § 10-204.3.

(City Code, 1976/83, art. 28, §16B(d), (e).) (Ord. 94-323; Ord. 03-534.)

**§ 7-4. Contents of bill.**

The property tax bill under a semiannual schedule shall contain the information required by State Tax-Property Article § 10-204.3.

(City Code, 1976/83, art. 28, §16B(f).) (Ord. 94-323; Ord. 03-534.)

**§ 7-5. Due dates; interest and civil penalties.****(a) Due dates.**

Payments under a semiannual schedule are due as specified in State Tax-Property Article § 10-204.3.

**(b) Interest and civil penalties.**

Each semiannual installment that has not been paid by the respective date allowed in State Tax-Property Article § 10-204.3 for its payment without interest shall bear, until paid:

(1) interest at the rate of 1% for each month and fraction of a month; and

(2) penalty at the rate of 1% for each month and fraction of a month.

*(City Code, 1976/83, art. 28, §16B(g) - (i).) (Ord. 94-323; Ord. 03-534.)*

**§ 7-6. Rules and regulations.**

Subject to Title 4 {"Administrative Procedure Act – Regulations"} of the City General Provisions Article, the Director of Finance may adopt rules and regulations:

(1) to carry out the provisions of this subtitle; and

(2) to conduct investigations to assure compliance with this subtitle.

**Editor's Note:** By authority of Ordinance 20-431, Section 5, the Director of Legislative Reference, in consultation with the Law Department, has conformed this section to refer expressly to the requirements of the recently-enacted Administrative Procedure Act that, effective January 15, 2021, governs the proposal, adoption, and publication of administrative rules and regulations.

*(City Code, 1976/83, art. 28, §16B(j).) (Ord. 94-323; Ord. 03-534; Text Conformed 02/25/21.)*

**SUBTITLE 8  
TAX SALES****§ 8-1. Interest rate on redemptions from tax sales.**

Pursuant to the authorization contained in State Tax-Property Article §14-820(b)(3), the interest rate applicable to redemptions of property from tax sales in Baltimore City is:

(1) 12% a year for any residential real property that, as of January 1 immediately preceding the tax sale, was designated by the State Department of Assessments and Taxation as the owner's principal residence in accordance with the criteria governing the State Homestead Tax Credit; and

(2) 18% a year for all other property.

*(City Code, 1976/83, art. 28, §16.)*

*(Ord. 73-379; Ord. 81-288; Ord. 83-938; Ord. 84-217; Ord. 99-516; Ord. 16-485.)*

**§ 8-2. Tax deeds copied, recorded.**

It shall be the duty of the Comptroller of the City, upon receiving a deed from the Director of Finance of any property purchased by the City of Baltimore at any sale for taxes:

(1) to have said deed:

(i) copied into a book kept in his office for the purpose; and

(ii) also duly recorded among the land records in the Clerk's office of the Circuit Court for Baltimore City; and

(2) when recorded, to keep and file the original deed in the Comptroller's office.

*(City Code, 1893, art. 50, §67; 1927, art. 46, §76; 1950, art. 37, §45; 1966, art. 28, §44; 1976/83, art. 28, §17.)*

*(Ord. 1880-045; Ord. 76-141.)*

**§ 8-3. Resales of tax property.**

(a) *Comptroller authorized to sell.*

(1) The City Comptroller may from the certified list hereinafter provided for, offer for sale any property purchased by the Mayor and City Council of Baltimore at sales of property by the Director of Finance for nonpayment of taxes, at either public or private sale.

(2) If an offer be made for any such property which in the judgment of said City Comptroller shall be advantageous to the Mayor and City Council of Baltimore, the said City Comptroller is hereby authorized to accept such offer and further authorized and directed to execute and deliver to the purchaser an all right, title, and interest deed for the property upon payment of the purchase money.

*(b) Certification list of saleable properties.*

- (1) Provided, however, that the property so offered for sale shall be contained in a list of properties, arranged by Councilmanic District, proposed to be sold hereunder, which shall be from time to time supplied by the City Comptroller to the members of the City Council and to the President of the City Council who shall have the list of properties published in the City Council Journal.
- (2) If no written objection to the sale thereof by a member of the Council is received by the President within 30 days of the publishing of the list in the Journal, he shall so certify to the Comptroller.

*(c) Objection by Councilmember.*

- (1) Where timely objection to the sale of the properties or any of them is made, the same shall be stricken from the list prior to certification as aforesaid.
- (2) In the event that a member of the City Council shall file such a written objection to the sale within 30 days of the publishing of such list, then the City Comptroller shall seek authority for such sale by ordinance of the Mayor and City Council, except in such cases where the purchaser has a title interest in the property, in which latter event no prior authorization by an ordinance of the Mayor and City Council shall be required.

*(d) Approval of Board of Estimates and Solicitor.*

- (1) And provided that all such sales shall be ratified by the Board of Estimates.
- (2) And provided further, that no deed or deeds shall pass under this section unless the same be approved as to form and legal sufficiency by the City Solicitor.

*(City Code, 1893, art. 50, §68; 1927, art. 46, §77; 1950, art. 37, §46; 1966, art. 28, §45; 1976/83, art. 28, §18.)*  
*(Ord. 1880-045; Ord. 01-020; Ord. 34-576; Ord. 50-1347; Ord. 73-477.)*

**§ 8-4. Reporting resales.**

The City Comptroller shall report to the Supervisor of Assessments for Baltimore City, all property that may be sold by him under the provisions of the foregoing sections, with the names of the purchasers thereof, in order that the same may be properly assessed to the owners.

*(City Code, 1893, art. 50, §69; 1927, art. 46, §78; 1950, art. 37, §47; 1966, art. 28, §46; 1976/83, art. 28, §19.)*  
*(Ord. 1880-045; Ord. 76-141.)*

**§ 8-5. Properties exempt from sale.**

EDITOR'S NOTE: §§ 8-5 and 8-6 of this subtitle were enacted November 2, 2020, by Ordinance 20-427, with a delayed effective date of July 21, 2021.

**(a) Definitions.****(1) In general.**

In this section, the following terms have the meanings indicated.

**(2) Dwelling.**

"Dwelling" has the meaning stated in State Tax-Property Article § 9-105 ("Homestead tax credit").

**(3) Homeowner.**

"Homeowner" has the meaning stated in State Tax-Property Article § 9-105 ("Homestead tax credit").

**(b) Scope of section.**

This section applies to the sale of a dwelling with an assessed value of \$250,000 or less.

**(c) Sale prohibited.****(1) In general.**

On receipt of an application from an eligible homeowner and subject to the limitation set forth in paragraph (3) of this subsection, the Director of Finance shall withhold the homeowner's dwelling from tax sale for 1 year.

**(2) Eligibility.**

A homeowner is eligible to have the homeowner's dwelling withheld from tax sale under this section if the homeowner:

(i) has resided in the dwelling for at least 15 years; and

(ii) either:

(A) has a total annual household income of less than \$36,000;

(B) is at least 65 years old and has annual earned income of \$75,000 or less; or

(C) is an adult currently receiving disability benefits from the Federal Social Security Disability Insurance program or the Supplemental Security Income program and has annual earned income of \$75,000 or less.

(3) *Limitation.*

In any tax year, the aggregate tax and lien liability of all homeowners for whom the Director of Finance has withheld their dwellings from tax sale under this section may not exceed \$2 million.

(4) *Renewal applications.*

Subject to the limitation set forth in paragraph (3) of this subsection, a homeowner may submit a renewal application annually to have the homeowner's dwelling withheld from tax sale for an additional year provided that the homeowner demonstrates continuing eligibility under this section.

(d) *Application submissions.*

A homeowner may submit an application under this section online, in person, or by mail.

(e) *Rules and regulations.*

Subject to Title 4 {"Administrative Procedure Act – Regulations"} of the City General Provisions Article, the Director of Finance shall adopt rules and regulations to carry out this section, including application and supporting documentation procedures.

**Editor's Note:** By authority of Ordinance 20-431, Section 5, the Director of Legislative Reference, in consultation with the Law Department, has conformed this section to refer expressly to and reflect the requirements of the recently-enacted Administrative Procedure Act that, effective January 15, 2021, governs the proposal, adoption, and publication of administrative rules and regulations.

(f) *Annual report.*

On or before December 31 of each year, the Director of Finance shall submit a report to the Mayor and City Council:

- (1) the total number of dwellings that were subject to this section;
- (2) the total and average amounts of outstanding taxes owed on the dwellings that were subject to this section; and
- (3) the number of dwellings that were subject to this section separated by the type of homeowner subject to this section.

(Ord. 20-427; Text Conformed 02/25/21.)

**§ 8-6. City Tax Sale Ombudsman.**

**EDITOR'S NOTE:** §§ 8-5 and 8-6 of this subtitle were enacted November 2, 2020, by Ordinance 20-427, with a delayed effective date of July 21, 2021.

(a) *"Homeowner" defined.*

In this section, "homeowner" has the meaning stated in State Tax-Property Article § 9-105 {"Homestead tax credit"}.

(b) *In general.*

(1) There is a City Tax Sale Ombudsman in the Department of Housing and Community Development.

(2) The Ombudsman shall:

- (i) be designated by the Commissioner of the Department of Housing and Community Development to carry out the duties of this section; and
- (ii) have substantial knowledge of the property tax collection process.

(c) *Duties of Ombudsman.*

The Ombudsman shall:

- (1) assist homeowners to understand the process for collection of delinquent taxes;
- (2) actively assist homeowners to apply for tax credits, discount programs, and other public benefits that may assist the homeowners to pay delinquent taxes and improve their financial situation;
- (3) refer homeowners to legal services, housing counseling, and other social services that may assist homeowners to pay delinquent taxes and improve their financial situation; and
- (4) maintain a website that functions as a clearinghouse for information concerning:
  - (i) the process for collection of delinquent taxes; and
  - (ii) services and programs that are available to assist homeowners to pay delinquent taxes and improve their financial situation.

(Ord. 20-427.)

# City Charter

*See Attached Copies*

(e) *Administration.*

To vest jurisdiction or authority to exercise or perform all or any part of the foregoing powers, except those specifically reserved to or to be exercised by the Board of Estimates, in any suitable board, commission, department, bureau or other agency of the Mayor and City Council of Baltimore now in being or in any new board, commission, department, bureau or agency of the Mayor and City Council of Baltimore, which it is hereby empowered to create and establish for such purposes.

(Ch. 433, Acts of 1968; Ch. 648, Acts of 1981; Ch. 362, Acts of 1986; Ch. 354, Acts of 1988; Ch. 36, Acts of 2001.)

§ (16) **Libraries, art galleries, and museums.**

To maintain and support the Enoch Pratt Free Library, or other free public libraries, art galleries and museums.

§ (17) **Licences.**

To license, tax and regulate all businesses, trades, vocations or professions; to license, regulate, tax or suppress hawkers, peddlers, brokers, pawnbrokers, intelligence officers, street exhibitions or fortune-tellers.

§ (18) **Markets.**

To erect, regulate, control and maintain markets; to regulate and control the sale of all articles therein; and to lease or otherwise dispose of stalls therein.

§ (19) **Municipal liens.**

(a) *In general.*

To establish a Bureau of Liens and to provide for the issuance of certificates stating what, if any, State and municipal taxes, charges and assessments exist against any particular property, all of which taxes, charges and assessments shall be liens against the property affected until paid, and to make a reasonable charge for furnishing each such certificate. No charge not shown on such certificate shall be a lien against the property mentioned therein. No statute of limitations shall run against charges listed on such certificate.

(b) *Environmental citations.*

**Real property:**

- (1) may not be offered for sale in a Baltimore City tax sale solely for nonpayment of environmental citations issued under Article 1, Subtitle 40 of the Baltimore City Code if the total amount of unpaid environmental citations is less than \$1,000; and
- (2) may only be offered for sale in a Baltimore City tax sale solely for nonpayment of environmental citations issued under Article 1, Subtitle 40 of the Baltimore City Code after exhaustion of all administrative and judicial rights of appeal.

(Ch. 502, Acts of 2005; Ch. 471, Acts of 2014.)

§ (65) Land Bank Authority.

(a) *Definitions.*

(1) *In general.*

In this section the following words have the meanings indicated.

(2) *Authority*”

“Authority” means a nonprofit or quasi-governmental entity created by Baltimore City under subsection (c) of this section.

(3) *Board.*

“Board” means the Board of Directors of the Authority.

(4) *Bond.*

(i) “Bond” means a bond issued by the Authority under this subtitle.

(ii) “Bond” includes a bond, a refunding bond, a note, and any other obligation.

(5) *Cost.*

“Cost” includes:

(i) the purchase price of property;

(ii) the cost to acquire any right, title, or interest in property;

(iii) the cost of any improvements made to property;

(iv) the amount to be paid to discharge each obligation necessary or desirable to vest title to any part of property in the Authority or other owner;

(v) the cost of any property, right, easement, franchise, and permit associated with a project;

(vi) the cost of labor, machinery, and equipment necessary to implement a project;

(vii) financing charges;

(viii) interest and reserves for principal and interest and for improvements;

(ix) the cost of revenue and cost estimates, engineering and legal services, plans, specifications, studies, surveys, and other expenses necessary or incident to determining the feasibility or practicability of a project;

(x) administrative expenses; and

(xi) other expenses as necessary or incident to:

1. financing a project;
2. acquiring and improving a project;
3. placing a project in operation, including reasonable provision for working capital; and
4. operating and maintaining a project.

(6) *Finance.*

“Finance” includes refinance.

(7) *Project.*

(i) “Project” means any organized plan carried out by the Authority in relation to:

1. acquiring and rehabilitating abandoned and dilapidated properties; and
2. marketing and leasing or selling the rehabilitated properties.

(ii) “Project” includes:

1. acquiring land or an interest in land;
2. acquiring structures, equipment, and furnishings located on a property;
3. acquiring property that is functionally related and subordinate to a project; and
4. obtaining or contracting for any services necessary for the rehabilitation of a property.

(8) *Revenues.*

(i) “Revenues” means the income, revenue, and other money the Authority receives from or in connection with a project and all other income of the Authority.

(ii) “Revenues” includes grants, rentals, rates, fees, and charges.

(9) *Tax sale property.*

“Tax sale property” means property or an interest in property sold by the tax collector of Baltimore City in accordance with Title 14, Subtitle 8, Part III of the Tax - Property Article of the Annotated Code of Maryland.

(10) *Trust agreement.*

(i) “Trust agreement” means an agreement entered into by the Authority to secure a bond.

- (ii) "Trust agreement" may include a bond contract, bond resolution, or other contract with or for the benefit of a bondholder.

(b) *Construction of section.*

- (1) This section shall be liberally construed to accomplish its purposes.
- (2) The powers granted to the Authority under this section shall be construed as supplemental and in addition to powers granted to the Authority under any State or local law.
- (3) This section does not authorize the Authority to:
  - (i) exercise the power of eminent domain; or
  - (ii) levy any tax or special assessment.

(c) *Establishment of Authority.*

- (1) By ordinance, Baltimore City may establish a land bank authority in accordance with this section.
- (2) An ordinance adopted under paragraph (1) of this subsection shall include proposed articles of incorporation of the Authority that state:
  - (i) the name of the Authority, which shall be "Land Bank Authority of Baltimore City";
  - (ii) that the Authority is formed under this section;
  - (iii) the names, addresses, and terms of office of the initial members of the Board of Directors of the Authority;
  - (iv) the address of the principal office of the Authority;
  - (v) the purposes for which the Authority is formed; and
  - (vi) the powers of the Authority subject to the limitations on the powers of the Authority under this section.
- (3)
  - (i) The Mayor of Baltimore City, or any official designated in the ordinance establishing the Authority, shall execute and file the articles of incorporation of the Authority for recordation with the State Department of Assessments and Taxation.
  - (ii) When the State Department of Assessments and Taxation accepts the articles of incorporation for recordation, the Authority becomes a body politic and corporate and an instrumentality of Baltimore City.
  - (iii) Acceptance of the articles of incorporation for recordation by the State Department of Assessments and Taxation is conclusive evidence of the formation of the Authority.

- (4) (i) By ordinance, Baltimore City may adopt an amendment to the articles of incorporation of the Authority.
- (ii) Articles of amendment may contain any provision that lawfully could be contained in articles of incorporation at the time of the amendment.
- (iii) The articles of amendment shall be filed for recordation with the State Department of Assessments and Taxation.
- (iv) The articles of amendment are effective as of the time the State Department of Assessments and Taxation accepts the articles for recordation.
- (v) Acceptance of the articles of amendment for recordation by the State Department of Assessments and Taxation is conclusive evidence that the articles have been lawfully and properly adopted.
- (5) (i) Subject to the provisions of this subsection and any limitations imposed by law on the impairment of contracts, Baltimore City, in its sole discretion, by ordinance may:
1. set or change the structure, organization, procedures, programs, or activities of the Authority; or
  2. terminate the Authority.
- (ii) On termination of the Authority:
1. title to all property of the Authority shall be transferred to and shall vest in Baltimore City; and
  2. all obligations of the Authority shall be transferred to and assumed by Baltimore City.
- (d) *Establishment of Board of Directors.*

An ordinance that creates a Land Bank Authority shall establish a Board of Directors to govern the Authority and shall include provisions for:

- (1) appointment procedures;
- (2) term lengths;
- (3) removal procedures;
- (4) election of a chair; and
- (5) powers of the Board.

(e) *Authority's powers – General.*

- (1) Except as limited by the Authority's articles of incorporation, the Authority has all the powers set forth in this section.
- (2) The Authority may:
  - (i) adopt bylaws for the conduct of business of the Authority;
  - (ii) sue and be sued;
  - (iii) maintain an office at a place the Authority designates;
  - (iv) borrow money;
  - (v) issue bonds and other obligations for any corporate purpose in accordance with this section or an ordinance adopted under this section;
  - (vi) invest money of the Authority in instruments, obligations, securities, or property;
  - (vii) enter into contracts and execute the instruments or agreements necessary or convenient to carry out this section or an ordinance adopted under this section to accomplish their purposes;
  - (viii) solicit and accept gifts, grants, loans, or other assistance in any form from any public or private source, subject to the provisions of this section or any ordinance adopted under this section;
  - (ix) participate in any way in a program of the federal government, the State, a political subdivision of the State, or an intergovernmental entity created under the laws of the State;
  - (x) contract for goods and services;
  - (xi) study, develop, and prepare reports or plans to assist in the Authority's exercise of powers and to monitor and evaluate the Authority's progress;
  - (xii) contract with public or private entities for the provision of services necessary for the management and operation of the Authority;
  - (xiii) provide acquisition, management, and sale services to Baltimore City for City-owned property;
  - (xiv) create, own, control, or be a member of a corporation, limited liability company, partnership, or other person, whether operated for profit or not for profit, for the purposes of developing property in order to maximize marketability;
  - (xv) exercise a power usually possessed by a private corporation in performing similar functions unless to do so would conflict with State law; and

(xvi) do all things necessary or convenient to carry out the powers expressly granted by this section or by an ordinance adopted under this section.

(3) The Authority may delegate to a member or officer a power granted to the Authority by this section, including the power to execute a bond, obligation, certificate, deed, lease, mortgage agreement, or other document or instrument.

(f) *Authority's powers – Acquisition, etc., of real property.*

(1) The Authority may:

- (i) acquire, directly or through a person or governmental entity, by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner the Authority considers proper, real property or rights or interests in real property;
- (ii) own in the Authority's name property acquired by or conveyed to the Authority by the State, a local government, an intergovernmental agency created under the laws of this State, or any other public or private person, including tax foreclosed property and property without clear title;
- (iii) sell, lease as lessor, transfer, and dispose of the Authority's property or interest in property;
- (iv) procure insurance against loss in connection with the property, assets, or activities of the Authority; and
- (v) execute deeds, mortgages, contracts, leases, purchases, or other agreements regarding the property of the Authority.

(2) Property purchased, owned, or sold under this subsection may not be located outside of Baltimore City.

(g) *Staff and consultants.*

The Authority may employ staff and retain consultants as employees or agents that the Authority considers necessary and set their compensation.

(h) *Appointment as receiver.*

The court may appoint the Authority to serve as a receiver in a receivership proceeding filed by Baltimore City.

(i) *Code of ethics; Policies and procedures; Open government.*

(1) The Authority shall:

- (i) adopt a code of ethics for the Authority's directors, officers, and employees;

- (ii) establish policies and procedures requiring the disclosure of relationships that may give rise to a conflict of interest, including requiring that any member of the Board with a direct or indirect interest in a matter before the Authority disclose the member's interest to the Board before the Board takes any action on the matter; and
- (iii) comply with the State Open Meetings Act under Title 10, Subtitle 5 and Subtitle 6, Part III of the State Government Article of the Annotated Code of Maryland  *{i.e., the State Open Meetings Act, Title 3 of the State General Provisions Article, and the State Public Information Act, Title 4 of the State General Provisions Article}* .

(2) Except as otherwise provided in this section or the ordinance establishing an Authority, the procedures of Baltimore City control any matter relating to the internal administration of the Authority.

**(j) Powers at tax sale; Immunities.**

(1) The Authority may exercise the powers granted to Baltimore City under §§ 14-825 through 14-831 of the Tax - Property Article of the Annotated Code of Maryland.

(2) The Authority may have the same immunities as Baltimore City.

**(k) Property rights.**

(1) With respect to property held or owned by the Authority, the Authority may:

- (i) grant or acquire a license, easement, or option;
- (ii) fix, charge, and collect rents, fees, and charges for use of the property;
- (iii) pay taxes or special assessments due;
- (iv) take any action, provide any notice, or institute any proceeding required to clear or quiet title in order to establish ownership by and vest title to property in the Authority;
- (v) abate violations of the local and State building, fire, health, and related codes; and
- (vi) hold, manage, maintain, operate, repair, lease as lessor, secure, prevent the waste or deterioration of, demolish, and take all other actions necessary to preserve the value of the property it holds or owns.

(2) The Authority shall be made a party to, and shall defend any action or proceeding concerning, claims against property held by the Authority.

**(l) Property inventory, classification; Recording fee exemption.**

(1) Property held by the Authority shall be inventoried and classified according to title status and suitability for use.

(2) A register of deeds in Baltimore City may not charge a fee to record a document evidencing the transfer under this section of property to the Authority by the State or Baltimore City.

(m) *Tax delinquent properties.*

(1) Following an unsuccessful attempt on the part of Baltimore City to collect outstanding liens at tax sale and subject to the approval of the tax collecting unit of Baltimore City, the Authority may accept from a person with an interest in a parcel of tax delinquent property or tax sale property a deed or assignment conveying that person's interest in the property instead of:

(i) the foreclosure or sale of the property for delinquent taxes, penalties, and interest, as defined by § 14-801(c) of the Tax - Property Article of the Annotated Code of Maryland; or

(ii) delinquent specific taxes levied by a local taxing jurisdiction.

(2) Except as otherwise provided by law, conveyance of property by deed instead of foreclosure under this section may not affect or impair any other lien against the property or any existing recorded or unrecorded interest in the property, including:

(i) future installments of special assessments;

(ii) liens recorded by the State;

(iii) easements or rights-of-way;

(iv) private deed restrictions;

(v) security interests and mortgages; or

(vi) tax liens of other taxing jurisdictions that do not consent to a release of their liens.

(3) A tax lien against property held by or under the control of the Authority may be released or abated at any time by one or more of the following:

(i) Baltimore City with respect to a lien held by Baltimore City;

(ii) the governing body of any taxing jurisdiction other than the State, county, or municipal corporation with respect to a lien held by the taxing jurisdiction;

(iii) a public water or sewer authority with respect to a tax lien or right to collect a tax held by the public water or sewer authority; or

(iv) the State Comptroller with respect to a State tax lien.

(n) *Money from property redemption or sale.*

(1) Money received by the Authority as payment of taxes, penalties, or interest, or from the redemption or sale of property subject to a tax lien of any taxing unit shall be returned to the

local tax collecting unit in the jurisdiction where the property is located for distribution on a pro rata basis to the appropriate taxing units in an amount equal to delinquent taxes, penalties, and interest owed on the property.

(2) Proceeds received by the Authority may be retained by the Authority for the purposes of this section, unless otherwise designated by:

- (i) this section;
- (ii) the provisions of a deed;
- (iii) any other law; or
- (iv) an agreement of the Authority.

(o) *Exemption from taxes or assessments.*

- (1) Except as provided in paragraph (2) of this subsection, the Authority is exempt from any requirement to pay State or local taxes or assessments on the Authority's properties, activities, or any revenue from the properties or activities.
- (2) Property that the Authority sells or leases to a private entity is subject to State and local property taxes from the time of the sale or lease.
- (3) The principal of and interest on bonds, the transfer of bonds, and any income derived from the bonds, including profits made on their sale or transfer, are forever exempt from all State and local taxes.

(p) *Civil actions.*

- (1) The Authority may bring a civil action to prevent, restrain, or enjoin the waste of or unlawful removal of any property from real property held by the Authority.
- (2) (i) The Authority shall be made a party to any action or proceeding instituted for the purpose of setting aside title to property held by the Authority or for the sale of property by the Authority.
  - (ii) A hearing in any such proceeding may not be held until the Authority is served in accordance with the Maryland Rules.

(q) *Public and governmental function and purpose.*

- (1) Property of the Authority is public property devoted to an essential public and governmental function and purpose.
- (2) Income of the Authority is considered to be for a public and governmental purpose.

(r) *Local laws.*

The Authority is subject to any local:

- (1) zoning laws;
- (2) permitting processes for construction, demolition, or repair of a property; and
- (3) land use controls.

(s) *Annual reports.*

The Authority shall report annually to the Mayor and City Council of Baltimore City and, in accordance with § 2-1246 of the State Government Article of the Annotated Code of Maryland, the General Assembly on the activities of the Authority.

(t) *Power to issue bonds.*

(1) (i) The Authority may periodically:

1. issue bonds to pay all or part of the cost of acquiring or improving property;
2. fund or refund those bonds;
3. purchase bonds with any funds available; and
4. hold, pledge, cancel, or resell bonds.

(ii) By resolution, the Authority may authorize the chair, one of the Authority's members, or a committee of the members to determine or provide for any matters relating to bonds that the Authority considers appropriate, including:

1. specifying, determining, prescribing, and approving matters, documents, and procedures that relate to the authorization, sale, security, issuance, delivery, and payment of and for the bonds;
2. creating security for the bonds;
3. providing for the administration of bond issues; and
4. taking other actions it considers appropriate concerning the bonds.

(iii) The power granted in subparagraph (ii) of this paragraph is in addition to powers conferred on the Authority by this section and does not limit any power of the Authority under this section.

- (iv) 1. Subject to subparagraph 2 of this subparagraph, the Authority may authorize the Executive Director to take any of the actions described in subparagraph (ii) of this paragraph.
2. If the Authority authorizes the Executive Director to take any of the actions described in subparagraph (ii) of this paragraph, the Authority shall prescribe limits within which the Executive Director may exercise discretion.

(2) The Authority may issue the bonds at one time or in one or more series from time to time.

(3) For each issue of the Authority's bonds, the Authority shall pass a resolution that:

- (i) specifies and describes the project for which the proceeds of the bond issuance are intended;
- (ii) generally describes the public purpose and the financing transaction to be accomplished;
- (iii) specifies the maximum principal amount of the bonds that may be issued by the Authority; and
- (iv) imposes any terms or conditions on the issuance and sale of the bonds that the Authority considers appropriate.

(4) Subject to any provisions for their registration, bonds are negotiable instruments for all purposes regardless of whether they are payable from a special fund.

(5) (i) The bonds may be:

1. serial bonds;
2. term bonds; or
3. both in the discretion of the Authority.

(ii) Subject to any delegation under paragraph (I)(ii) of this subsection, the resolution authorizing bonds may provide:

1. the dates of the bonds;
2. the maturity dates of the bonds;
3. the interest rates on the bonds;
4. the time at which the bonds will be payable;
5. the denominations of the bonds;
6. whether the bonds will be in coupon or registered form;
7. any registration privileges of the bonds;
8. the manner of execution of the bonds;
9. the place at which the bonds will be payable; and
10. any terms of redemption of the bonds.

- (iii) The bonds shall mature within a period not to exceed 50 years after the date of issue.
- (iv) The bonds shall be payable in United States currency.
- (6) (i) The Authority shall sell the bonds at competitive or negotiated sale in a manner and for a price the Authority determines to be in the Authority's best interests.
- (ii) Bonds are exempt from §§ 8-206 and 8-208 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- (7) An officer's signature or facsimile on a bond remains valid even if the officer leaves office before the bond is delivered.
- (8) Pending preparation of the definitive bonds, the Authority may issue interim receipts or certificates that will be exchanged for definitive bonds.
- (9) (i) A trust agreement authorizing bonds may contain provisions that are part of the contract with the bondholders.
- (ii) The provisions may include:
  - 1. pledging the following to secure payment of bonds, subject to any existing agreements with bondholders:
    - A. the full faith and credit of the Authority;
    - B. revenues of a project;
    - C. a revenue-producing contract the Authority has made with a person or public entity; or
    - D. the proceeds of the sale of bonds;
  - 2. the rates, rentals, fees, and other charges, the amounts to be raised in each year, and the use and disposition of the revenues;
  - 3. the setting aside of reserves and sinking funds and their disposition;
  - 4. limits on the right of the Authority or the Authority's agents to restrict and regulate the use of a project;
  - 5. limits on the purpose to which the proceeds of sale of bonds may be applied;
  - 6. limits on issuing additional bonds and refunding bonds and the terms under which additional bonds may be issued and secured;
  - 7. the procedure to amend or abrogate the terms of a contract with bondholders and the requirements for consent;

8. limits on the amount of project revenues to be expended for operating, administrative, or other expenses of the Authority;
9. the acts or omissions that constitute default by the Authority and the rights and remedies of the bondholders in the event of a default;
10. the conveyance or mortgaging of a project and its site to secure the bondholders; and
11. the creation and disposition of a collateral fund for the purpose of securing the bondholders.

(10) The members of the Authority and a person executing the bonds may not be held liable personally on the bonds.

(u) *Trust agreements.*

(1) The corporate trustee under a trust agreement may be a trust company or a bank that has the powers of a trust company in or outside the State.

(2) An expense incurred in carrying out the trust agreement or a resolution may be treated as part of the cost of the operation of a project.

(v) *Authority's bond determinations conclusive.*

Notwithstanding any other provision of this section, in a proceeding involving the validity or enforceability of a bond or the security for a bond, the determination of the Authority under this section is conclusive and binding.

(w) *Bonds as securities.*

Bonds are securities:

- (1) in which any of the following persons may legally and properly invest money, including capital that the person owns or controls:
  - (i) an officer or unit of the State or a political subdivision;
  - (ii) a bank, trust company, savings and loan association, investment company, or other person conducting a banking business;
  - (iii) an insurance company, insurance association, or other person conducting an insurance business;
  - (iv) a personal representative, guardian, trustee, or other fiduciary; and
  - (v) any other person; and

(2) that may be deposited with and received by a unit of the State or a political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is authorized by law.

(x) *Bonds not debt or liability of State.*

(1) A bond is not:

(i) a debt or liability of the State or a political subdivision of the State; or

(ii) a pledge of the faith and credit of the State or a political subdivision of the State.

(2) Each bond shall state on the face of the bond that neither the State nor a political subdivision of the State is obliged to pay the principal of or interest on the bond except from revenues pledged to the payment of the bond.

(3) The issuance of bonds does not directly, indirectly, or contingently obligate the State or its political subdivisions:

(i) to levy or pledge a tax to pay the bonds; or

(ii) to make an appropriation to pay the bonds.

(4) Nothing in this section prohibits the Authority from pledging its full faith and credit in connection with the issuance of bonds.

(y) *Authority's powers related to projects.*

(1) The Authority may:

(i) fix and collect rates, rents, fees, and charges related to a project and for the services related to a project; and

(ii) contract with any person or governmental entity to exercise its authority under this subsection.

(2) The rates, rents, fees, and charges established by the Authority under this subsection shall be fixed and adjusted so that the aggregate amount of the rates, rents, fees, and charges from the project, when added to other available money, is sufficient to:

(i) pay for the expenses of the project;

(ii) pay the principal of and the interest on the bonds that the Authority issued for the project as they become due and payable; and

(iii) create and maintain reserves required or provided for in a trust agreement.

(3) The rates, rents, fees, and charges established by the Authority under this subsection are not subject to supervision or regulation by any unit of the State other than the Authority.

(z) *Pledge of revenues.*

- (1) (i) Any pledge of revenues and other money under subsection (t)(9) of this section is valid and binding from the time the pledge is made.
    - (ii) 1. The revenue or money that the Authority pledges and receives is subject immediately to the lien of the pledge.
    2. Neither physical delivery of the revenue or money nor any other act is required to validate the lien.
  - (iii) The lien of the pledge is valid and binding against each party with a claim against the Authority in tort, contract, or otherwise, regardless of whether the party has notice of the lien.
- (2) The trust agreement and any other agreement or lease creating a pledge under this section need not be filed or recorded, except in the records of the Authority.

(aa) *Revenues are trust funds.*

- (1) Proceeds from the sale of bonds and other revenues received under this section are trust funds to be held and applied solely as provided in this section.
- (2) (i) Each officer, bank, or trust company that receives trust money from the Authority under this section shall act as trustee of the money and shall hold and apply the money for the purposes specified under this section.
  - (ii) The officer, bank, or trust company holding money is subject to:
    1. any regulation adopted under this section; and
    2. the resolution authorizing the issuance of bonds or the trust agreement.

(bb) *Refunding bonds.*

- (1) (i) The Authority may issue bonds to refund outstanding bonds of the Authority, including paying:
  1. any redemption premium;
  2. interest accrued or to accrue to the date of redemption, purchase, or maturity of the bonds; and
  3. if considered advisable by the Authority, any part of the cost of acquiring or improving property as part of a project.
- (ii) Refunding bonds may be issued for any corporate purpose, including:
  1. realizing savings in the effective costs of debt service, directly or through a debt restructuring; or

## 2. alleviating a potential or actual default.

- (2) A refunding bond that the Authority issues under this subsection shall be issued in the same manner and is subject to this section to the same extent as any other bond.
- (3) The Authority may issue refunding bonds in one or more series in an amount greater than the amount of the bonds to be refunded.

*(cc) Bond anticipation notes.*

- (1) The Authority may issue negotiable bond anticipation notes in anticipation of the sale of bonds for any corporate purpose.
- (2) Bond anticipation notes issued under this subsection shall be issued in the same manner as bonds.
- (3) Bond anticipation notes issued under this subsection and the resolution authorizing them may contain any provisions, conditions, or limitations that may be included in a trust agreement.
- (4) The Authority may issue bond anticipation notes to pay any other bond anticipation notes.
- (5) Bond anticipation notes shall be paid from:
  - (i) revenues of the Authority;
  - (ii) money available and not otherwise pledged; or
  - (iii) the proceeds of the sale of the bonds in anticipation of which the notes were issued.

*(dd) Conveyance of title.*

- (1) The Authority shall convey title to property relating to a project and release collateral in accordance with this subsection when the following conditions are met:
  - (i) 1. the principal of and interest on bonds issued to finance the project, including any refunding bonds, have been fully paid and retired; or
    2. adequate provision has been made to fully pay and retire the bonds;
  - (ii) all other conditions of the trust agreement have been satisfied; and
  - (iii) the lien of the trust agreement has been released.
- (2) On satisfaction of the conditions under paragraph (1) of this subsection, the Authority promptly shall execute any deeds, conveyances, releases, and documents and take any other action necessary to convey title to the property and release collateral free of all liens and encumbrances created through the Authority.

**CITY OF BALTIMORE  
COUNCIL BILL 21-0024R  
(Resolution)**

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Introduced by: Councilmembers Ramos, McCray, Porter, Bullock, Middleton

Introduced and read first time: February 22, 2021

Assigned to: Ways and Means Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Housing and Community Development, Comptroller, Baltimore City Information Technology, Department of Finance

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A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – Baltimore City Tax Sale**

3 FOR the purpose of inviting the Baltimore City Department of Finance, the Baltimore City  
4 Department of Housing and Community Development, the Comptroller, Baltimore City  
5 Information Technology, the Law Department, the Maryland Volunteer Lawyers Service and  
6 other relevant parties to provide information and complete details and timeline, and amounts  
7 of liens owed, disaggregated where appropriate by demographics, ages, owner-occupied  
8 versus non-owner-occupied, and number of residents who have owned their property for  
9 more than 25 years in tax sale this year; in addition, discussing the City’s powers related to  
10 the state, programs already in place to assist homeowners in tax sale, possible reforms, an  
11 update on implementation of the *In Rem* process for vacant and abandoned properties, and  
12 any other relevant information of interest to the Baltimore City Council.

13 **Recitals**

14 **WHEREAS**, Tax sale is the process by which Baltimore and the State of Maryland collect  
15 delinquent property taxes, environmental citations, liens and water bills;

16 **WHEREAS**, in Baltimore, owner-occupied homes with delinquent water bills are not  
17 considered tax sale liens for owner occupied homes;

18 **WHEREAS**, the 2017 General Assembly Tax Sale Task Force recommended several reforms,  
19 most of which Baltimore City and the General Assembly have implemented;

20 **WHEREAS**, Md. Code Ann., Tax-Property § 14-811(f)(1)-(2) allows for Baltimore to remove  
21 seniors, disabled and low income homeowners from tax sale;

22 **WHEREAS**, many properties have been passed down through families without legal transfer  
23 of title;

24 **WHEREAS**, the disproportionate number of tax certificates offered and sold are in  
25 predominantly Black neighborhoods;

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

**Council Bill 21-0024R**

1       **WHEREAS**, tenants are adversely impacted when a property in which they reside is impacted  
2 by tax sale;

3       **WHEREAS**, vacant properties cycling through tax sale provide an opportunity for  
4 reinvestment;

5       **WHEREAS**, there is a recognition from the Baltimore City Council, General Assembly and  
6 from local advocates that the process needs to be reformed to protect homeowners, particularly  
7 our seniors; and

8       **WHEREAS**, reforms of this system are possible and need to be discussed.

9       **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That the  
10 Council invites the Baltimore City Department of Finance, the Baltimore City Department of  
11 Housing and Community Development, the Comptroller, Baltimore City Information  
12 Technology, the Law Department, the Maryland Volunteer Lawyers Service and other relevant  
13 parties to provide information and complete details and timeline, and amounts of liens owed,  
14 disaggregated where appropriate by demographics, ages, owner-occupied versus  
15 non-owner-occupied, and number of residents who have owned their property for more than 25  
16 years in tax sale this year; in addition, discussing the City’s powers related to the state, programs  
17 already in place to assist homeowners in tax sale, possible reforms, an update on implementation  
18 of the *In Rem* process for vacant and abandoned properties, and any other relevant information of  
19 interest to the Baltimore City Council.

20       **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Mayor, the  
21 Comptroller, the Director of Baltimore City Information Technology, the Director of Finance, the  
22 Acting Commissioner of Housing and Community Development, the Acting City Solicitor, the  
23 Executive Director of the Maryland Volunteer Lawyers Service, and the Mayor’s Legislative  
24 Liaison to the City Council.