For Internal Use Only



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, APRIL 27, 2021 10:02 AM

VIRTUAL WEBEX MEETING

Council Bill 21-0042

Real Estate Records - Modernization

CITY COUNCIL COMMITTEES

ECONOMIC AND COMMUNITY DEVELOPMENT (ECD)

Sharon Green Middleton, Chair John Bullock – Vice Chair Mark Conway Ryan Dorsey Antonio Glover Odette Ramos Robert Stokes *Staff: Jennifer Coates*

WAYS AND MEANS (W&M)

Eric Costello, Chair Kristerfer Burnett Ryan Dorsey Danielle McCray Sharon Green Middleton Isaac "Yitzy" Schleifer Robert Stokes *Staff: Marguerite Currin*

PUBLIC SAFETY AND GOVERNMENT

OPERATIONS (SGO) Mark Conway – Chair Kristerfer Burnett Zeke Cohen Erick Costello Antonio Glover Phylicia Porter Odette Ramos Staff: Samuel Johnson

EDUCATION, WORKFORCE, AND YOUTH (EWY)

Robert Stokes – Chair John Bullock Zeke Cohen Antonio Glover Sharon Green Middleton Phylicia Porter James Torrence *Staff: Marguerite Currin*

HEALTH, ENVIRONMENT, AND TECHNOLOGY

(HET) Danielle McCray – Chair John Bullock Mark Conway Ryan Dorsey Phylicia Porter James Torrence Isaac "Yitzy" Schleifer Staff: Matthew Peters

RULES AND LEGISLATIVE OVERSIGHT (OVERSIGHT)

Isaac "Yitzy" Schleifer, Chair Kristerfer Burnett Mark Conway Eric Costello Sharon Green Middleton Odette Ramos James Torrence *Staff: Richard Krummerich*

Effective: 01/04/21

CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director 415 City Hall, 100 N. Holliday Street Baltimore, Marvland 21202 410-396-7215 / Fax: 410-545-7596 email: larry.greene@baltimorecity.gov

BILL SYNOPSIS

Committee: Ways and Means

Bill: 21-0042

Real Estate Records – Modernization

President Mosby at the request of the Office of the Comptroller Sponsor: Introduced: February 22, 2021

Purpose:

For the purpose of modernizing the methods by which the Comptroller shall make certain information regarding the City's real estate records available to the public; making certain stylistic changes; and conforming and correcting related provisions.

Effective: On the 180th day after the date it is enacted.

Agency Reports

Law Department	Favorable
Office of the Comptroller	None as of this writing
Department of Finance	Favorable
Baltimore City Information Technology	None as of this writing
Department of Housing and Community Development	Favorable/Amend
Department of Real Estate	None as of this writing
Baltimore City Archives	None as of this writing

Current Law

Analysis

Baltimore City Code - Article 5 under Finance, Property and Procurement - outlines the rules, regulations and mandates for the City's Records and Inventory of Real Property, and Article 28 under Taxes outlines how tax deeds are copied and recorded.



Background

At the request of the Office of the Comptroller, this legislation is one (1) of three (3) bills; 21-0041, 21-0042 and 21-0043 coming before the committee on April 27, 2021.

<u>If enacted Council Bill 21-0042</u> will rescind a portion of the City Code that requires the Comptroller's Office to retain physical copies of real estate property records and tax deeds, and will replace it with a public database.

Currently the City Code requires the Office to maintain copies in a well-bound record book.

Per the primary sponsor, "We have a book containing all properties in the City. The legislation will allow properties to be online instead; bringing us up to date to the 21st century, making information more transparent, more open and accessible way of maintaining that information."¹

The bill will become effective approximately six (6) months after the date it is enacted.

Note:

1. <u>The Department of Housing and Community Development</u> is recommending a minor amendment to the bill: to change a word from <u>fair</u> to <u>assessed</u>. *The agency report is attached*.

Additional Information

Fiscal Note: Per the Department of Finance the legislation will cost approximately \$25,000 – *See attached agency report.*

Information Source(s): City Code, Council Bill 21-0042, see footnote below, and all agency reports received as of this writing.

Margueite M. Curren

Analysis by:Marguerite M. CurrinDirect Inquiries to: (443) 984-3485Analysis Date:April 23, 2021, revised April 26, 2021

¹ The Honorable Bill Henry, Baltimore City Comptroller.

Council Bill: 21-0042

AGENCY REPORTS

SEE ATTACHED

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

April 22, 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 21-0042 – Real Estate Records – Modernization

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 21-0042 for form and legal sufficiency. It would change the City Code in two separate places: Subtitle 16 of Article 5 concerning Records of Real Property and Subtitle of Article 28 concerning Tax Sales. The bill seeks to remove the requirement for the Comptroller to keep certain records in paper form and move to an electronic system.

There are no legal impediments to the change of these sections of the City Code as they do not permit the destruction of existing paper copies or those paper copies that may be received in the future. Md. Code, State Gov.'t, § 10-615(4), (5) (State Archivist must approve record destruction in accordance with previously approved record inventory and record retention schedules); COMAR 14.18.02.05.B; *see also* 14.18.02.08 (records designated as permanent are so regardless of form of record). Nor does the bill violate the state law requirement concerning photographic reproduction of originals. Md. Code, State Gov.'t, § 10-619.

There appears to be no conflict between this bill and the City's Record Retention requirements in Section 10 of Article 1 of the City Code. However, the City Records Management Officer, who is appointed by the Director of the Department of Legislative Reference, is charged with creating "standards, procedures, and techniques for the effective management of City records." City Code, Art. 1, § 10-6(b)(1). There is an existing requirement that the City Records Management Officer "review all proposals for the digitization of records, whether or not the ultimate destruction of the original record is involved." City Code, Art. 1, § 10-6(b)(3). However, this later enacted and more specific bill would govern over the existing, general record management law. *See, e.g., Atkinson v. Anne Arundel County*, 236 Md. App. 139, 161 (2018).

The bill is able to be approved for form and legal sufficiency.

Very truly yours,

A. Rhy

Hilary Ruley Chief Solicitor

cc: James L. Shea, City Solicitor Matthew Stegman, Mayor's Office of Government Relations Elena DiPietro, Chief Solicitor, General Counsel Division Victor Tervala, Chief Solicitor Ashlea Brown, Assistant Solicitor BULAC

FROM	NAME & TITLE	Robert Cenname, Budget Director	CITY of	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall	BALTIMORE	CLTP Of CLTP O
	SUBJECT	City Council Bill 21-0042 – Real Estate Records - Modernization.	MEMU	

TO

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

Position: Support

The Department of Finance is herein reporting on City Council Bill 21-0042, Real Estate Records-Modernization for the purpose of modernizing the method by which the Comptroller shall make certain information regarding the City's real estate records available to the public; making certain stylistic changes; and conforming and correcting related provisions.

Background

The City currently requires the Comptroller to keep a well-bound record book recording all deeds and leases made to the City, as well as contracts and agreements made in relation to City property. In addition, the Comptroller and Director of Finance are tasked with jointly maintaining an inventory of City-owned real property that is updated quarterly. This legislation will require the Comptroller to maintain an online database of City property, which is publicly accessible and searchable, instead of the current record book.

Fiscal Impact

The Department of Finance anticipates this legislation will cost approximately \$25,000 annually, which can be absorbed in the agency's current budget. This estimate is based on conversations with the Comptroller's Office about the plan to utilize specific database software. The Office plans to establish two workflows, which will cost approximately \$12,500 annually each and there are no additional start-up costs.

Expense	Cost		Total Cost	
Software Workflow	\$	12,500	\$	25,000

Conclusion

The goal of this legislation to modernize the real estate records through an online database can increase efficiency, accountability, and transparency. The Department of Finance supports these efforts and anticipates that additional costs to implement this legislation will be absorbed by the agency's budget.

For the reasons stated above, the Department of Finance supports City Council Bill 21-0041.

cc: Henry Raymond Natasha Mehu Nina Themelis April 22, 2021

DATE:



MEMORANDUM

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

From: Alice Kennedy, Acting Housing Commissioner



Date: April 21, 2021

Re: City Council Bill 21-0042 Real Estate Records – Modernization

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 21-0042 for the purpose of modernizing the methods by which the Comptroller shall make certain information regarding the City's real estate records available to the public; making certain stylistic changes; and conforming and correcting related provisions.

If enacted, City Council Bill 21-0042 would repeal and re-ordain, with amendments Article 5 -Subtitle 16 and Article 28, Section 8-2 of the Baltimore City Code to modernize the office of the Baltimore City Comptroller. The Bill requires that real estate records be maintained in an online public database and available for public inspection instead of maintained in a "well-bound leather book." The Bill also deletes obsolete references to paper bound record keeping systems and provides for a publicly facing searchable database. Finally, the Bill provides for a 6-month implementation period.

City Council Bill 21-0042 is part of a Legislative reform and modernization package of 4 bills introduced to update the way the office of the Comptroller operates. DHCD will continue to work with the Comptroller and the Director of Finance in maintaining the inventory of City-owned real property and note that much of the real property information is already available to the public on Open Data Baltimore.

DHCD would recommend a minor amendment on page 3 line 1 of the Bill to replace the word "fair" with "assessed" value. This amendment requires that the Comptroller and the Director of Finance maintain information on the assessed market value of the property, which is updated every 3 years. Fair Market Value is the agreed upon price between a willing and informed buyer and a seller under ordinary circumstances, while assessed value is a valuation placed on a property by a public tax assessor for purposes of taxation. It would be unreasonable for the agencies named in this Bill to maintain an inventory of fair market value for every parcel of property in the City of Baltimore without third party assessors.

DHCD supports the passage of City Council Bill 21-0042.

AK/sm cc: Ms. Themelis, Nina, *Mayor's Office of Government Relations* Brandon M. Scott, Mayor • Alice Kennedy, Acting Housing Commissioner 417 East Fayette Street • Baltimore, MD 21202 • 443-984-5757 • dhcd.baltimorecity.gov

CITY OF BALTIMORE COUNCIL BILL 21-0042 (First Reader)

Introduced by: The Council President At the request of: Office of the Comptroller Introduced and read first time: February 22, 2021

Assigned to: Ways and Means Committee

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

A BILL ENTITLED

1	AN ORDINANCE concerning
2	Real Estate Records – Modernization
3	FOR the purpose of modernizing the methods by which the Comptroller shall make certain
4	information regarding the City's real estate records available to the public; making certain
5	stylistic changes; and conforming and correcting related provisions.
6	By repealing and re-ordaining, with amendments
7	Article 5 - Finance, Property, and Procurement
8	Subtitle 16 - Records and Inventory of Real Property
9	Baltimore City Code
10	(Edition 2000)
11	By repealing and re-ordaining, with amendments
12	Article 28 - Taxes
13	Section 8-2
14	Baltimore City Code
15	(Edition 2000)
16	SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That the
17	Laws of Baltimore City read as follows:
18	Baltimore City Code
19	Article 5. Finance, Property, and Procurement
20	Subtitle 16. Records and Inventory of Real Property

Council Bill 21-0042

1	§ 16-1. Record of conveyances and contracts.
2	(a) Comptroller to [keep record book] MAINTAIN ONLINE DATABASE.
3 4	The Comptroller shall [keep a well-bound record book, and have therein recorded] MAINTAIN A PUBLICLY-ACCESSIBLE ONLINE DATABASE THAT INCLUDES:
5 6 7	(1) all deeds and leases made to the City, or sufficient extracts from [such] THOSE deeds and leases [as will fully explain the same] TO FULLY IDENTIFY THE NATURE OF THE CITY'S INTEREST IN THE SPECIFIC PROPERTY; and [also]
8	(2) all contracts and agreements made in relation to the property of the City.
9	[(b) <i>Form</i> .]
10 11 12	[The records in said record book to be written on every other page, so that the page opposite the record may be left blank for any remarks that may be necessary to be made in regard to the disposition of said property.]
13	(B) SEARCHABLE INDEX [(c) Index.]
14 15 16	The [said record book] DATABASE REQUIRED BY THIS SECTION shall [also have an alphabetical index made] BE SEARCHABLE for [more] easy reference to [said] the deeds, leases, contracts, and agreements WITHIN THE DATABASE.
17	§ 16-2. Comprehensive inventory required.
18	(a) Comptroller and Director of Finance to maintain.
19 20 21	The Comptroller and the Director of Finance must maintain jointly a comprehensive inventory of City-owned real property, which must be updated quarterly to reflect acquisitions and dispositions.
22	(b) Information required.
23	For each parcel of property, the inventory must provide the following information:
24 25	(1) a street address or, if there is no street address, a description sufficient to identify the location of the property;
26	(2) the date when the City acquired or took possession of the property;
27	(3) the purchase price paid by the City;
28	(4) the name of the grantor; and

Council Bill 21-0042

1 2	(5) an estimate of the FAIR market value of the property, which must be updated every 3 years.
3	(c) Agencies to cooperate.
4 5	All City agencies that own, acquire, or dispose of real property must comply with requests of the Comptroller and the Director of Finance in maintaining the inventory.
6	(d) Inventory open to public inspection.
7 8	The inventory must be [kept in the office of the Comptroller and must be open] POSTED ONLINE FOR PUBLIC INSPECTION [during regular office hours].
9	Article 28. Taxes
10	Subtitle 8. Tax Sales
11	§ 8-2. Tax deeds copied, recorded.
12 13 14	[It shall be the duty of the] THE Comptroller of the City SHALL, [upon receiving] ON RECEIPT OF a deed from the Director of Finance of any property purchased by the City of Baltimore at any sale for taxes:
15	(1) to have [said] THE deed:
16 17 18	 (i) [copied into a book kept in his office for the purpose] SCANNED ELECTRONICALLY INTO THE DATABASE REQUIRED BY CITY CODE, ARTICLE 5, § 16-1 {"RECORD OF CONVEYANCES AND CONTRACTS"}; and
19 20	 (ii) [also] duly recorded among the land records in the Clerk's office of the Circuit Court for Baltimore City; and
21 22	(2) when recorded, to [keep and file] RETAIN the original deed in the Comptroller's office.
23 24 25	SECTION 2. AND BE IT FURTHER ORDAINED , That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.
26	SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 180 th

27 day after the date it is enacted.