



Legislation Text

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: Councilmember Conaway

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning
Informational Hearing - Baltimore City Tax Lien Certificate Sales

FOR the purpose of requesting the Director of Finance and the Chief, Bureau of Revenue Collections to report to the City Council on the Tax Lien Certificate Sale Program; to present an outline of the foreclosure process; to explain the fees collected or paid by all parties involved in the redemption or forfeiture of a property; and to give a final accounting of the disposition of all proceeds from the sale of a forfeited property.

Recitals

The Bureau of Revenue Collections' publication describes the Tax Lien Certificate Sale as a public sale of lien interests on properties as a method to collect delinquent real estate taxes and/or other unpaid municipal fees and charges owed to the City of Baltimore. The sale is generally held once each year in May.

In Bureau's Sale, the winning bidder does not purchase the deed to a property, but purchases a Tax Lien Certificate. To acquire the deed, the purchaser must file a Complaint in the Circuit Court for Baltimore City to foreclose the right of redemption. A decree must be obtained from the Court, a deed prepared, all liens that have accrued from the date of the Certificate sale paid, and a deed must be recorded in the Land Records of Baltimore City.

The City Council has a vested interest in the Tax Lien Certificate Sale Process, or Tax Sales as it is more commonly referred to, from differing sides of the issue. The Council seeks to prevent the unnecessary or premature seizure of homes of fiscally burdened constituents, but it also seeks to ensure that the City reaps all the revenue due from the process to support a City budget that approaches crisis mode.

Last year alone the Council adopted two resolutions addressing the contrasting concerns. Request for State Legislation - Withholding Properties from Tax Lien Sales requested our Baltimore City Delegation to the 2011 Maryland General Assembly "to introduce legislation to prevent unnecessary evictions by altering the procedures for collecting government liens to allow municipalities to withhold liens for water bills and debts under \$750 from inclusion in tax lien sales. Informational Hearing - Recordation of Tax Sale Properties requested officials from the Department of Finance and Housing "to report on the number of properties foreclosed on through the tax sale process for which no deed has been recorded and to discuss the fiscal impact of these transactions on the City."

As homeowners and government alike continue to struggle through the economic downturn, the “Tax Sale” process needs further examination to make certain that all parties are fairly treated and fully compensated throughout the entire procedure.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Director of Finance and the Chief, Bureau of Revenue Collections are requested to report to the City Council on the Tax Lien Certificate Sale Program; to present an outline of the foreclosure process; to explain the fees collected or paid by all parties involved in the redemption or forfeiture of a property; and to give a final accounting of the disposition of all proceeds from the sale of a forfeited property.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, the Director of Finance, the Chief, Bureau of Revenue Collections, and the Mayor’s Legislative Liaison to the City Council.

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