



Legislation Text

File #: 20-0593, **Version:** 0

Explanation: Capitals indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

* **Warning:** This is an unofficial, introductory copy of the bill.
The official copy considered by the City Council is the first reader copy.

Introductory*

City of Baltimore Council Bill

Introduced by: Councilmember McCray

A Bill Entitled

An Ordinance concerning

Tax Sales - Properties Exempt From Sale

For the purpose of directing the Director of Finance to withhold certain properties from tax sale; defining certain terms; requiring that the Director of Finance adopt regulations to implement the requirements of this section; requiring that the Director of Finance submit an annual report to the Mayor and City Council; and generally implementing the authority provided by Section 14-811(f) of the State Tax-Property Article .

By authority of

Tax-Property Article
Section 14-811(f)
Maryland Code

By adding

Article 28 - Taxes
Section 8-5
Baltimore City Code
(Edition 2000)

Recitals

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

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

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

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

Whereas, homeownership is one of the main ways for families to build wealth and economic security.

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

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

Section 1. Be it ordained by the Mayor and City Council of Baltimore, That the Laws of Baltimore City read as follows:

Baltimore City Code

Article 28. Taxes

Subtitle 8. Tax Sales

§ 8-5. Properties exempt from sale.

(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.*

In accordance with § 14-811(f) of the State Tax-Property Article , the Director of Finance shall withhold from sale a dwelling owned by a homeowner who:

(1) has resided in the dwelling for at least 3 years; and

(2) either:

(i) has a combined income of less than \$40,000;

(ii) is at least 65 years old; or

(iii) is an adult currently receiving disability benefits from the Federal Social Security

Disability Insurance program or the Supplemental Security Income program.

(e) *{Reserved}*

(f) *Rules and regulations.*

(1) *In general.*

The Director may adopt rules and regulations to carry out this section.

(2) *Filing with Legislative Reference.*

A copy of all rules and regulations adopted under this subtitle must be filed with the Department of Legislative Reference before they take effect.

(g) *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.

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.

Section 3. And be it further ordained, That this Ordinance takes effect on the 30th day after the date it is enacted.