

Written Testimony - HB 57 (removing requirement to

Uploaded by: Allison Harris

Position: FAV



HB 57
PROPERTY TAX— TAX SALES – REQUIREMENT TO SELL
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE
MARCH 29, 2023
POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics. **PBRC supports HB 57 because it would allow jurisdictions in Maryland to make their own determinations about when and whether to hold tax sale auctions, thereby potentially preserving homeownership for hundreds of Maryland families while addressing other local concerns.**

Over the past eight years, PBRC has assisted nearly 800 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes, not an unwillingness. The clients served by our tax sale prevention clinics held in Baltimore in 2022 represented some of our state’s most vulnerable citizens: 74% were seniors, 39% were disabled, 76% identify as Black, and 76% reported annual household incomes of less than \$30,000. On average, our 2022 Baltimore clients encountered in our clinics had owned their homes for 32 years, and over 70% of them owned their homes free of a mortgage. As lower-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes.

Local jurisdictions are attuned to the needs of their residents. Baltimore City, where we primarily operate our tax sale work, has a high particularly high number of residents facing tax sale: the City mailed Final Bills and Legal Notices in 2022 to over 7,200 owner-occupied homes. In Baltimore, the tax sale system perpetuates the serious issue of inequity seen in the City by halting the passing of intergenerational wealth amongst families. Further, particular to Baltimore, tax sale contributes to vacancy and presents a pressing danger to City residents, as seen in last year’s deadly fire that occurred in a vacant home with a title and liens marred by the tax sale process. The Mayor of Baltimore is committed to helping residents who are at risk of tax sale, committed to reducing the inequities, and committed to addressing the problem of vacancy. But, as the State tax sale law currently stands, he is hampered in his ability to reform the tax sale auction process to better suit the needs of this City.

PBRC supports HB 57, which will permit Baltimore City and the counties of Maryland to best determine if and when to conduct their tax sales according to their local needs, allowing for alternative options that may preserve homeownership for their residents. Thank you for the opportunity to testify.

For the above reasons,
PBRC urges a FAVORABLE report on HB 57.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.
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HB0057 Crossover.docx.pdf

Uploaded by: Director Michael Higgs

Position: FAV

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HEARING DATE: March 29, 2023

BILL: HB0057

TITLE: Property Tax – Tax Sales – Requirement to Sell

SDAT POSITION: SUPPORT

Under current law, all Maryland counties and Baltimore City are mandated to hold tax sales at least every two years. HB0057 gives all Maryland counties and Baltimore City the opportunity to hold tax sales less frequently if they choose.

HB0057 is enabling legislation as it does not require any local jurisdiction to change any of its practices if they are content with the current procedure.

For these reasons, SDAT urges a favorable vote on HB0057.

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Uploaded by: Kevin Kinnally

Position: FAV



House Bill 57

Property Tax – Tax Sales – Requirement to Sell

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 29, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 57. This bill would grant counties full flexibility in determining the frequency of tax sales, which could help minimize tax collection costs, assist with the payment of overdue taxes, and ultimately allow homeowners to remain in their homes.

The tax sale process – or more specifically, the potential for a property to go to tax sale – presents a much-needed tool of last resort to ensure that property owners remit payment for their fair share of taxes and charges connected to public services. Of course, no jurisdiction wants to send any property to tax sale if it can be avoided.

State law requires local governments to collect delinquent real property taxes and other unpaid charges, all of which are liens against real property. Under current law, county governments must bring to tax sale all property in arrears for at least two years.

MACo strongly prefers that homeowners receive all counseling, education, information, and support which may be available to them and additional assistance when appropriate, to help them pay on time and avoid going through tax sale. To that end, MACo supported legislation to establish the Homeowner Protection Program, which offers homeowners facing tax sale potential cost avoidance, and provide help like payment assistance, foreclosure mediation, and other services.

HB 57 would provide additional flexibility for local governments to facilitate access to support services at a time when it is most helpful. Accordingly, MACo requests a **FAVORABLE** report on HB 57.

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Testimony
HB57 – Property Tax – Tax Sales - Redemption
March 29, 2023
FAVORABLE

Chair Guzzone and Members of the Senate Budget and Taxation Committee:

I am writing to urge your support for **HB57 – Tax Sales – Requirements to Sell**. Thanks to Chair Atterbeary for introducing this important legislation.

Currently, all jurisdictions are required to sell the liens in a property tax sale every two years, with the exception of an emergency situation like the pandemic (this exception was passed with HB1196 last session).

HB57 removes that requirement, and allows for jurisdictions to set their own timeframes for sale of the liens, if they want to sell them at all. This bill gives jurisdictions the flexibility we need to create our own tax sale system within the timeframes that we want.

I urge your favorable report for this legislation.

Please do not hesitate to contact me should you have any questions. I can be reached on 410-396-4814 or via email at odette.ramos@baltimorecity.gov.

Respectfully Submitted:

Odette Ramos
Baltimore City Councilwoman
District 14