

CDN HB236 FAVORABLE CO.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony HB 236
BUDGET and TAXATION COMMITTEE
March 28, 2023
Position: FAVORABLE

Dear Chairman Guzzone and Members of the Budget and Taxation Committee

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

HB 236 Requires the State Tax Sale Ombudsman to contract with a vendor to conduct an annual outreach campaign to homeowners in tax sale; requiring the outreach campaign to consist of making telephone calls to each homeowner whose home is sold at a tax sale to inform the homeowner of the assistance available .

CDN has been part of the ongoing work to reform the process of tax sale in the state since 2016. In 2017, CDN was a lead partner in the Task Force to Study Tax Sales in Maryland. CDN currently serves on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

Most of the people in the state impacted by tax sale are older, single, African American women living at or below the poverty line who owe less than \$3000. Few were aware of the state Homeowner's Tax Credit, the state Homestead Tax Credit, the Homeowner's Assistance Fund or the housing and financial counselors and legal service providers available to help them apply for the programs.

For these vulnerable homeowners, the tax sale has stripped away generational wealth and housing stability. The sale has intensified racial wealth disparities. For the communities that these older adults live in, this empty house is the beginning of neighborhood decline. For the state of Maryland, this event adds to the unprecedented number of senior renters and worsens shortage of affordable rental housing.

A sustained targeted outreach effort could help more older adults age in place and pass their wealth to future generations.

We urge your favorable report for HB 236.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

HB236 Crossover.pdf

Uploaded by: Dan Ellis

Position: FAV



Neighborhood Housing Services of Baltimore, Inc.

March 28, 2023

Senator Guy Guzzone

Budget and Taxation Committee
Miller Senate Office Building
Annapolis, Maryland 21401

RE: House Bill 236

Honorable Senator Guzzone and Members of the Committee:

I am the Executive Director of Neighborhood Housing Services of Baltimore (NHS), and a resident of Baltimore City. Our organization believes that economic and social justice are a right for all residents and communities. We promote this belief by removing barriers of access to homeownership, helping resident access resources to maintain their homes, and supporting communities historically impacted by systemic disinvestment.

HB236 is designed to provide outreach to homeowners impacted by tax sale across the state. It would have the Tax Sale Ombudsman coordinate this outreach ensuring that residents are aware of services available through that state office. In our work with people impacted by tax sale we have found that there is a lot of fear about losing their home and having no idea how to navigate the process to redeem their property. A coordinated outreach campaign each year would help bridge the challenge faced by residents trying to access help. We do note that it will be critical to conduct the outreach in a timely manner since the cost to redeem a property escalates significantly once fees are accessed.

HB236 would help homeowners be aware of resources available to support them as they navigate the tax sale redemption process. We ask that the Committee issue a *favorable* report on HB236.

Sincerely,

A handwritten signature in black ink that reads "Daniel T. Ellis".

Daniel T. Ellis
Executive Director



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HB0236.docx.pdf

Uploaded by: Director Michael Higgs

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



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HEARING DATE: March 29, 2023

BILL: HB0236

TITLE: Tax Sales - Homeowner Protection Program - Outreach

SDAT POSITION: SUPPORT

HB0236 would enable the State Tax Sale Ombudsman's Office to expand its outreach to homeowners who may be eligible for the Homeowner Protection Program by permitting the State Tax Sale Ombudsman (TSO) to spend a portion of the program budget balance each year on outreach, by prioritizing outreach methods, and by providing information resources.

This legislation:

1. Provides statutory guidance of at least 2% of the program budget to use for outreach.
2. Sets preferred outreach methods, including live telephone calls and methods other than sending information by mail.
3. Prioritizes contacting homeowners as soon as possible after their liens are sold at tax sale.
4. Permits the TSO to conduct this outreach by using state employees and resources, or by contracting with a private vendor.
5. Permits the TSO to obtain the information necessary to conduct outreach from both private and public sources, including county finance offices, the Comptroller, and other state and local agencies.

For these reasons, SDAT urges a favorable vote on HB0236.

Written Testimony HB 236 - Tax Sale Ombudsman Outr

Uploaded by: Allison Harris

Position: FWA



HB 236
TAX SALES – STATE TAX SALE OMBUDSMAN – OUTREACH CAMPAIGN
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 236 because enhanced outreach to vulnerable homeowners in tax sale would help them redeem and resolve their tax sale situation.**

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.

Homeowners who call us after they receive a notice that their lien was sold at the tax sale auction almost inevitably are confused: they don’t fully understand what the auction was, what it means for their property interest, or how to resolve the situation. Most homeowners we encounter would be able to pull together the funds to redeem – either through family help or a through eligibility for a financial assistance program – but they often delay or fail to complete the redemption process in a timely manner because they don’t have critical information about deadlines, additional resources, or processes to redeem. If they delay, the interest on the lien begins to add up quickly; if they delay beyond the initial redemption period, the attorney’s fees and expenses pile up. The cost of redemption can very quickly become out of reach for these homeowners. Phone calls from the Ombudsman’s office immediately following the tax sale, as provided in HB 236, would reach homeowners faster, more directly, and earlier in the process than through mail communications. Further, phone outreach would help the State reach homeowners who don't regularly read their mail, as well as those who might better understand a verbal explanation than a written notice and referral. The ability to have a conversation with a live person who can inform the homeowner of the redemption process and who can guide the homeowner to available resources will increase the number of homeowners who successfully redeem after a tax sale auction.

PBRC supports HB 236, which will protect certain Marylanders from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on HB 236.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.
aharris@probonomd.org • 443-703-3050

Delegate Kaiser Testimony in Support of HB 236 for

Uploaded by: Anne Kaiser

Position: FWA

ANNE R. KAISER
Legislative District 14
Montgomery County

Health and Government
Operations Committee

House Chair
Joint Committee on Cybersecurity,
Information Technology and
Biotechnology



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of
House Bill 236: Tax Sales - State Tax Sale Ombudsman – Outreach
March 29th, 2023**

Chair Guzzone and esteemed members of the Budget and Taxation Committee, it is my pleasure to come before you and offer testimony in favor of **House Bill 236: Tax Sales - State Tax Sale Ombudsman - Outreach**.

The State Department and Assessment Taxation (SDAT) ombudsman program has been incredibly successful, but more needs to be done. As many as 5,000 owner-occupied homes are sold annually statewide, but only about 2,500 people contact the Ombudsman each year. Those who contact the Ombudsman's office get assistance regarding tax credits, other public benefits, housing and financial counseling, and the new Homeowner Protection Program starting this year.

Here's some successes from the Ombudsman office from fiscal year 2022:

- Answered questions from 2,536 homeowners who contacted the Office.
- Helped 2,189 homeowners to apply for the Homeowners Property Tax Credit and helped about 758 homeowners apply for the Maryland Homestead Tax Credit.
- Assisted 484 homeowners apply for other discount programs or public benefits.
- Referred 2,055 homeowners to legal services, housing counseling, and other social services.
- Through its Homeowner Follow Up initiative, SDAT has reached out to find out where those it previously assisted are today. They learned that nearly all homeowners contacted were able to avoid tax sale in the following year after they were helped.

However, we can do more – and this legislation would require the Ombudsman to contract with a call center to reach more eligible homeowners. The funding for this will come from the Homeowner Protection Fund. SDAT is on board with this legislation. This legislation was amended to create a reporting requirement and to include a non-binding goal to spend 2% of the Homeowners Protection Fund on outreach.

This legislation is needed for several reasons: 1) homeowners whose homes have been sold at a tax sale are in the greatest need of assistance; 2) many of these homeowners are eligible for the homeowners' credit, Homeowner Protection Program, or other benefits but aren't receiving them; 3) the population of homeowners in tax sale is disproportionately elderly, low-income, and less educated, and is less likely to read, understand, and respond to a mailing; and 4) people are generally far more likely to respond when they talk directly with a real person who is trying to help them.

HB 236 passed the House of Delegates by a vote of 138-0.

Thank you for your attention to this important issue. I urge a favorable report on **House Bill 236**.
Thank you.

HB0236-BT_MACo_SWA.pdf

Uploaded by: Kevin Kinnally

Position: FWA



House Bill 236

Tax Sales – Homeowner Protection Program – Outreach

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Budget and Taxation Committee

Date: March 29, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 236 **WITH AMENDMENTS**. This bill requires the State Tax Sale Ombudsman to implement an annual outreach campaign to inform homeowners facing tax sale about resources and programs available through the Ombudsman’s office.

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.

HB 236 requires the State Tax Sale Ombudsman to implement an annual outreach campaign to inform homeowners facing tax sale about resources available through the Ombudsman’s office, including the Homeowners’ Tax Credit and the Homeowner Protection Program. According to the bill, the outreach program will primarily consist of telephone calls to each homeowner whose dwelling is sold at tax sale.

MACo strongly prefers that homeowners receive all counseling, education, information, support, and additional assistance when appropriate to avoid the tax sale process. To that end, MACo supports this bill as a wise approach to facilitating access to support services when it is most helpful.

However, counties respectfully request that this Committee consider bolstering the outreach program by authorizing alternative communication methods to reach homeowners facing tax sale, as some homeowners may not have access to telephone services.

For these reasons, MACo requests a **FAVORABLE WITH AMENDMENTS** report on HB 236.

CW Ramos HB 236 favorable w amendments.pdf

Uploaded by: Odette Ramos

Position: FWA



Odette Ramos

Baltimore City Councilwoman

District 14

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100 N. Holliday Street, Room 506

Baltimore MD 21202

Testimony
HB236 – Tax Sales – Tax Sale Ombudsman – Outreach Campaign
March 28, 2023
FAVORABLE with Amendments

Honorable Chair Guzzone and Distinguished Members of the Budget and Taxation Committee:

I am writing to urge your support for **HB236 – Tax Sales – Tax Sale Ombudsman – Outreach Campaign**. Thanks so much to Delegate Kaiser for introducing this bill. I outline some potential additional amendments to consider for this legislation below.

HB236 requires the Tax Sale Ombudsman to conduct an outreach campaign to homeowners whose homes have been sold in tax sale. The Tax Sale Ombudsman can contract with an outside vendor to do this, and the bill has several criteria for the vendor and lays out specific tasks and requirements. Local governments who conduct tax sales have to send the information to the Tax Sale Ombudsman “promptly” after the sale so that the campaign takes place. The purpose is to ensure that homeowners can have a fighting chance to redeem their properties with resources and help that the Tax Sale Ombudsman can provide or refer to specific agencies for assistance.

This is an important step to help homeowners avoid tax sale. Direct outreach to homeowners who are desperate to keep their homes will appreciate the assistance out outreach. In my experience with assisting homeowners, they are often unaware of the services available, and most often are not aware of their rights. In several instances the lien holder immediately contacts the homeowner and demands payment directly to the lien holder – which is not how the process works! The Tax Sale Ombudsman is a trusted source for assistance to avoid this problem and help the homeowners redeem their properties.

While the bill clearly lays out the options for collecting phone numbers for participants, I would recommend the following considerations for amendments:

- A. Instead of the jurisdiction “promptly” giving the list of homeowners and their addresses to the Tax Sale Ombudsman, they should “Immediately” give the list to the Tax Sale Ombudsman.
- B. Create strategies using post cards to reach homeowners who are not answering their phone or whose phone number is not available. The post card should encourage people to call a number to reach the Tax Sale Ombudsman, and provide an email and website.
- C. Create strategies for home visits to those who don’t respond to post cards nor respond to the telephone calls.
- D. Ensure that the homeowner is connected to a resource coordinator. Just calling and providing resources does not mean that the homeowner will take advantage of the services. Connecting them to a resource coordinator in the Ombudsman’s office will help them must more effectively.
- E. Make sure the calls/contact goes out within the 4 month (7 month in Baltimore City) window before the homeowner accrues more fees to be owed to the lien holder.

- F. Consider strategies to reach homeowners who are behind on their taxes PRIOR to the tax sale so that they can access the Homeowner Assistance Fund or Homeowner's Property Tax Credit immediately. This could include presentations in local jurisdictions, subgrants to local organizations for promoting the services of the Ombudsman, access to the lists of homeowners behind on liens to contact them directly, and more.

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:

A handwritten signature in blue ink, appearing to read "Odette", is positioned above the typed name.

Odette Ramos
Baltimore City Councilwoman, District 14