



Neighborhood Housing Services of Baltimore, Inc.

March 28, 2023

Senator Guy Guzzone, Chair  
Budget and Taxation Committee  
Miller Senate Office Building  
Annapolis, Maryland 21401

**RE:** House Bill 43

Honorable Chair Atterbeary 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 people 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. I have worked on tax sale reform supporting residents and communities for more than 10 years and currently serve as co-chair of Mayor Scott's Tax Sale Work Group identifying ways to reform and improve the tax sale system.

As part of the current tax sale system lien purchasers sometimes bid more than the outstanding lien amount for the right to collect the debt. This amount remains in an account held by the local jurisdiction until the case is resolved. If the lien is redeemed the excess funds are returned to the lien purchaser's. If the property is foreclosed the funds should be provided to the prior property owner. HB43 will make it mandatory that the prior owner who is entitled to any balance after a tax sale to be notified within 90 days. Currently more than \$3 million statewide has not been claimed by prior property owners. Many of these people are not aware that they could receive these funds and have never received notice of their eligibility. We recognize that much more is needed to bring equity to the tax sale system in Maryland and are committed to continuing working together to identify those solutions. This is an important step toward ensuring property owners are compensate for any funds to which they are entitled.

We ask that the Committee issue a favorable report on HB 43 as we continue to work on ways to reform the tax sale system as a whole,

Sincerely,

Daniel T. Ellis  
Executive Director



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