



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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