

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 HOUSE WAYS AND MEANS COMMITTEE
JANUARY 24, 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.

aharris@probonomd.org • 443-703-3050

HB0057.docx.pdf

Uploaded by: Director Michael Higgs

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MICHAEL HIGGS
Director

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HEARING DATE: January 24, 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 their practices if they are content with the current procedure.

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

HB 57 - Testimony .pdf

Uploaded by: John Kern

Position: FAV



HB 57
PROPERTY TAX— TAX SALES – REQUIREMENT TO SELL
HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
JANUARY 24, 2023
POSITION: SUPPORT

The SOS Fund, an independent 501(c)(3) non-profit organization, addresses the systemic housing instability experienced by historically red-lined communities in Baltimore City. This instability has resulted in generations of residents losing their homes, thus denying them the wealth-building capacity of homeownership. **The SOS Fund supports HB 57 because Baltimore City and every Maryland jurisdiction should have the right to decide whether or not to hold tax sale auctions.**

We provide legacy residents with the legal, material (home repair), and financial (bailout) tools that will allow them to be less vulnerable to displacement which is the greatest threat to further loss of equity. The majority of the referrals made to our program come from either legal service providers or non-profit housing service providers. 90% of our clients have an income that falls below 80% AMI (area median income). 81% of our clients identify as Black or African American.

Our organization works with residents who reside in the majority black neighborhoods which experienced the most aggressive form of housing discrimination. The majority of our clients are older (over 60), black women who have struggled to maintain their homes with little assistance, for decades. The ongoing disinvestment in their neighborhoods has trapped many of them in a lower socioeconomic status resulting in persistent poverty and our tax sale only perpetuates this cycle of economic violence. Since its inception, this system of tax collection has put the interest of outside investors ahead of the residents of our neighborhoods. Although the profits from the system to these debt purchasers have been lucrative, the cost burden to our city has been enormous. HB 57 will allow our jurisdiction to take full control of the process debt collection so that we might build a more just and equitable system, one that favors people over the profit of predatory actors.

For the above reasons,

The SOS Fund urges a FAVORABLE report on HB 57.

Please contact John Kern, Director of Programs, with any questions. john@thesosfund.com

• 410.303.3738

HB57 - FAV- MML.pdf

Uploaded by: Justin Fiore

Position: FAV



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

January 24, 2023

Committee: House Ways and Means Committee

Bill: HB 57 – Property Tax – Tax Sales – Requirement to Sell

Position: Support

Reason for Position:

The Maryland Municipal League supports House Bill 57, which would allow municipalities to set their own timeline for tax sales, potentially keeping more homeowners in their homes.

Current law requires local governments to bring a property to tax sale when it is in arrears for at least two years. While an important tool, this is often not the ideal outcome for homeowners and jurisdictions alike.

HB 57 provides the flexibility for local governments to extend the window of outreach and assistance for homeowners most in need of that support. For these reasons, the League respectfully requests that this committee provide House Bill 57 with a favorable report.

FOR MORE INFORMATION CONTACT:

Theresa Kuhns	Chief Executive Officer
Angelica Bailey Thupari, Esq.	Director, Advocacy & Public Affairs
Bill Jorch	Director, Public Policy
Justin Fiore	Deputy Director, Advocacy & Public Affairs

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HB0057-WM_MACo_SUP.pdf

Uploaded by: Kevin Kinnally

Position: FAV



House Bill 57

Property Tax – Tax Sales – Requirement to Sell

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: January 24, 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.

HB57 - Maryland Legal Aid FAV.pdf

Uploaded by: Lee Ogburn

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

January 20, 2023

The Honorable Delegate Vanessa Atterbeary, Chair
House Ways and Means Committee
House Office Building, Room 131
Annapolis, Maryland 21401

RE: Testimony of Maryland Legal Aid in Support of House Bill 57 – Property Tax – Tax Sales
– Requirement to Sell

Dear Chairman Atterbeary and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill 57. MLA is Maryland's largest non-profit law firm, with 12 offices serving each of Maryland's 24 jurisdictions, providing free civil legal services to the State's low-income and vulnerable residents. Our advocates represent individuals and families who are fighting each day to make ends meet yet struggle with basic needs, consumer debts, and housing stability. MLA submits this written testimony at the request of Delegate Vanessa E. Atterbeary. We ask that the Committee grant HB57 a favorable report, and we urge its ultimate passage.

HB57 would give homeowners more time to pay their taxes, which is necessary at a time of high inflation and uncertainty in the job market. Every Maryland jurisdiction except Wicomico County conducts a yearly tax sale. In counties such as Baltimore City, Baltimore County, Caroline, Carroll, Frederick, Harford, Queen Anne's, and Talbot, a homeowner's property can be added to the tax sale-eligible list as soon as the current year tax bill is delinquent. Howard and Prince George's counties allow a bit more time (2 or 3 months overdue, respectively), but 14 of Maryland's 23 counties can place a person's home on the tax sale list for a property tax bill that is 7 months past due or less. [So what is the lesser amount of month]?

In recent years, many Maryland counties made the decision to postpone or cancel their tax sales out of an awareness of the financial hardships that have continued to impact their residents since the pandemic and even long before. In 2021, Garrett, Howard, Prince George's, and Baltimore County all postponed their tax sales, and Calvert County canceled their sale altogether, to give homeowners more time to make arrangements to pay their bills. MLA knows firsthand that time is a valuable resource when helping homeowners facing tax sales. Many clients are unaware that their property has been included in tax sales or that there are tax credits and grant assistance like the Homeowner Assistance Fund that could help. Our law firm has assisted many homeowners across the state apply for this assistance and avoid tax sale and tax sale foreclosure. Our staff can always do more for a client when they contact us early in the process and when time is available. And that is to say nothing of the homeowners we sadly cannot reach; they especially need the benefit of this bill.

The Office of the State Tax Ombudsman’s 2022 Report to the House Ways & Means Committee found that “homeowners continue to report that it is a challenge to pay their tax bills on an annual or semi-annual basis. They regularly inquire about whether a payment plan is available, and most often it is not. They describe how they could afford a monthly bill, and often describe a specific monthly amount they could afford to pay.” However, the report goes on to say that “sending out monthly bills is not likely practical, affordable or manageable for the counties.” HB57 can give homeowners and tax officials time to consider alternative payment plan options.

Older adults and seniors, who have worked long and hard to pay off their mortgages, will particularly benefit from this bill. Many of those affected are retired, disabled, and/or living on fixed incomes and in need of a longer payment plan or extra time to work things out to keep their homes. We have many clients who head multi-generational households and find themselves hard-pressed to manage all the finances. With stagnant wages, higher interest rates, and inflation, many homeowners are finding it even more difficult to make the annual property tax payments on time. HB57 will give local jurisdictions the authority to act in the best interest of local economy and in consideration of the needs of area homeowners.

Maryland Legal Aid supports initiatives that put power in the hands of local communities who have a pulse on the economic realities of their residents and municipalities. We believe HB57 will be a benefit to our clients and therefore urge the Committee to issue a favorable report on its passage.

Respectfully submitted,

Sincerely,

/s/ Lee H. Ogburn
Director of Appellate Advocacy
Maryland Legal Aid
500 E. Lexington Street
Baltimore, Md. 21202
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[1] 2022 Annual Maryland Tax Sale Report,
https://dat.maryland.gov/Documents/2022_MSAR13843_SDAT.pdf

dat.maryland.gov › Documents › 2022_MSAR13843_SDAT

House Bill 0057.pdf

Uploaded by: Margaret Henn

Position: FAV

MARYLAND HOUSE WAYS AND MEANS COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF HB0057: PROPERTY TAX – TAX SALES – REQUIREMENT TO SELL
ATTACHMENT AND EXECUTION
TUESDAY, JANUARY 24, 2023

Chair Atterbeary and distinguished members of the Committee, thank you for the opportunity to testify in support of House Bill 0057.

My name is Margaret Henn and I am the Deputy Director of Maryland Volunteer Lawyers Service (MVLS). I have been representing low income clients on tax sale foreclosure cases for 9 years. MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY22, MVLS volunteers and staff lawyers provided legal services to 3,458 people across the state. As part of our tax sale foreclosure work, we see hundreds of clients at risk of losing their housing due to tax sales. For the reasons explained below, we respectfully request a favorable report on House Bill 0057.

MVLS represents clients who face losing their homes due to unpaid property taxes or citations. Tax sale often affects the poorest homeowners in the most distressed neighborhoods and contributes to vacant and abandoned properties all over the state. In 2013, MVLS and other nonprofit organizations came together to form the Tax Sale Workgroup. Our goal was to protect communities and homeowners, especially people with lower incomes and the elderly, who face the most devastating effects of the tax sale process. Since 2014, MVLS has maintained a partnership with the Pro Bono Resource Center of Maryland to conduct annual tax sale workshops aimed at helping homeowners avoid tax sale. In the past four years, volunteers have assisted over 350 people at these workshops.

From the data we collected at our 2020 tax sale clinics, 72% of clients are seniors, 48% were disabled, 85% identified as Black, and 72% reported a household income of \$30,000 or less per year. Many of these clients survive on fixed incomes and struggle to pay their bills even before a tax sale happens. We also found that most homeowners live in multigenerational households where they provide shelter and support for their children and grandchildren. The tax sale system has long had the inequitable outcome of stripping wealth from Black families and communities. For these families, the predominant form of accumulated wealth that they have, and that they can

pass on to their families, is the equity in their homes. The loss of these homes further exacerbates the existing wealth gap

Victoria is an MVLS client whose home went into tax sale during the height of the pandemic. Enduring job loss, sickness, and the other issues that came along with COVID-19, she paid her property taxes on the deadline. However, the home was sold at tax sale. She came to MVLS for help after receiving notice that the lien purchaser filed to foreclose her right of redemption. Victoria should have never gone to tax sale because she had proof of payment and an error resulted in her home being included in the tax sale. It took a volunteer attorney several months to resolve the confusion.

MVLS has been fighting to even the playing field for low-income Marylanders for decades, and we know that poor Marylanders are most often forced to face tax sale without an advocate. This imbalance of power makes it more likely that our clients will continue to struggle to get out of tax sale. We support HB0057 because it would give cities and counties options when trying to assist vulnerable clients like Victoria by allowing counties the option of not holding a tax sale or removing the most vulnerable from tax sale. Consequently, we urge a favorable report.

Madam Chair and members of the Committee, thank you again for the opportunity to testify.

Councilwoman Odette Ramos HB57

Uploaded by: Odette Ramos

Position: FAV



Odette Ramos

Baltimore City Councilwoman

District 14

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100 N. Holliday Street, Room 506

Baltimore MD 21202

Testimony
HB57 – Tax Sales – Requirement to Sell
January 24, 2023
FAVORABLE

Chair Atterbeary and Members of the House Ways and Means 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

PGCC HB57

Uploaded by: Prince George's County Council

Position: FAV



THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3700
County Council

POSITION STATEMENT

HB 57
Delegate Atterbeary

Property Tax – Tax Sales – Requirement to Sell

POSITION:

SUPPORT

HB 57 – Property Tax – Tax Sales – Requirement to Sell – For the purpose of repealing certain limitations on the authority of local governments to set the time by which a property with taxes in arrears must be sold by the tax collector. This bill would take effect July 1, 2023.

Current law requires tax collectors to sell property seized based on a delinquent property tax within two years after the property is in arrears. This bill would allow a property sale to be conducted “within the time required by local law,” therefore, giving deference to local jurisdictions to ultimately decide how they want to conduct these types of sales.

Local governments should have authority over local tax issues. The Prince George’s County Council supports HB 57 because it does just that. However, we hope that this change does not negatively impact residents in other counties should their local governments decide to speed up the tax payment process. ~~We~~ The Council strongly believes that proper time should be afforded to a property owner to pay back taxes, particularly given the current housing crisis.

For the foregoing reasons, the Prince George’s County Council **SUPPORTS** House Bill 57 and respectfully requests the Committee’s favorable consideration of its position.

Prepared by: Evans & Associates
On behalf of Prince George’s County Council

HB 57 - CLC favorable testimony 1.20.23.pdf

Uploaded by: Shana Roth-Gormley

Position: FAV



HB 57
PROPERTY TAX— TAX SALES – REQUIREMENT TO SELL

HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
JANUARY 24, 2023
POSITION: SUPPORT

Community Law Center is a nonprofit legal services provider which offers free legal services to nonprofit and community organizations throughout Maryland to promote stronger nonprofits and more vibrant neighborhoods. We have seen the crushing impacts of tax sale on homeowners who can lose their homes – and all their equity – in tax sale, as well as the devastating consequences for communities when longtime homeowners lose their homes and leave a vacant property in their wake. **Community Law Center supports HB 57 to give municipalities in Maryland the power to determine when and whether to hold tax sale auctions – giving local governments the flexibility to address local issues and concerns, and consider impacts of tax sale on homeownership preservation and the health of their communities.**

When local needs are not taken into account in the tax sale process, and local governments do not have the flexibility to implement locally needed changes, tax sale can cause significant harm to communities. Tax sale allows speculative markets to take the place of homeowner investment, destroying the equity that families have built in their homes. Tax sale harms communities by contributing to vacancy, decay, and neighborhood blight. And tax sale can create clouds on the title of properties that pass through the system, leaving ownership in limbo and sowing confusion over responsibility for maintenance. This confusion has turned to tragedy in the past – in Baltimore City, a fire in a vacant house last year killed three firefighters, and in 2018 the collapse of an unstable vacant house killed a man parked nearby in his car. In both cases, the vacant property had unpaid tax liens and had been through the tax sale process, but remained vacant and uncared for.

To address the local impact of these issues on tax, the Baltimore City Mayor Brandon Scott has sought to help homeowners at risk of losing their properties in tax sale; to reduce the inequities of the tax sale system which significantly impacts low income residents of color; and to reduce the number of vacant properties. However, without the power to make local decisions on tax sale, he is limited in what he can do to address the harmful impacts of tax sale on homeowners and communities.

HB 57 would give local jurisdictions in Maryland the power to make decisions about tax sale which impact their communities. It will allow them to decide when and whether to conduct tax sales, and when other methods of addressing unpaid liens might better meet local needs.

For the above reasons,
Community Law Center urges a FAVORABLE report on HB 57.
Please contact Shana Roth-Gormley, Staff Attorney, with any questions.
ShanaR@communitylaw.org | 410-366-0922 x 118