

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.