



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.
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