



**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
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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