



**Written Testimony of David Wheaton
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NAACP Legal Defense and Educational Fund, Inc.**

**Submitted to the Budget and Taxation Committee of
the Maryland State Senate
In Connection with the March 26, 2024 Hearing**

My name is David Wheaton, and I am an attorney with the NAACP Legal Defense and Educational Fund, Inc. (LDF). LDF offers the following testimony in opposition to HB 243. We urge you to reject HB 243 which would allow Baltimore City to resume the harmful practice of selling renter-occupied and other non-homeowner-occupied residential property to collect unpaid water and sewer bills of more than \$350. Founded in 1940 by Thurgood Marshall, LDF is the nation's oldest civil rights law organization. LDF is strongly opposed to Maryland HB 777 which has now been folded into HB 243. With the new amendment added, HB 243 fails to protect renters and heirs' property owners from the possibility of tax sale eviction for unpaid water debt.

Baltimore's tax sale system disparately impacts Black residents and strips wealth from their communities and families and places the greatest burden upon those who can least afford it – households making less than \$30,000 per year.¹ In 2019, the Maryland General Assembly unanimously voted to protect **ALL** households and places of worship in Baltimore City from tax sales due to unpaid and unaffordable water bills. This legislation brought Baltimore in line with many water systems, which never use tax sales to collect unpaid water bills. For example, Maryland's largest water system, the Washington Suburban Sanitary Commission, cannot use tax sales to collect any unpaid water bills. HB 243 as amended would reverse that progress by removing non-owner-occupied residential properties in the protections from city tax sale foreclosures.

¹ <https://mvslaw.org/wp-content/uploads/2021/02/Tax-Sale-White-Paper.pdf?fbclid=IwAR1ieHIRXobTZ9Jxw-SPFHISazyiIKL7waBwPHWg-AUEECvyax9Smx3BGgw>

A majority of Black Baltimore residents rent,² making them more prone to the eviction and housing displacement if they have a negligent landlord who is not paying their water bill debt. Additionally, Black people are disproportionately more likely to face evictions and other forms of housing instability.³ Black households have the highest eviction removal count in Maryland—almost three times higher than the white resident eviction rate.⁴ While the 2019 state law specifically protected renters by including all residential properties in protections from tax sale, HB 243 as amended excludes renter protections and could allow for renters in Baltimore to face further housing instability and eviction.

The amendments added to HB 243 would also endanger Baltimore residents who do not have a legal interest in the property that they are residing in. Given the extreme lack of access to justice for low-income Baltimore residents,⁵ many residents who inherit their property after a loved one died do not have access to the legal resources necessary to go through the probate process. As such, these heirs would be considered to be living in “non-owner-occupied housing” as it relates to HB 243 and could be dispossessed of their family home.

Again, we strongly oppose the amendments added to HB 243 and urge you to reject HB 243. If you have any questions, please contact David Wheaton, Economic Justice Policy Fellow, at dwxheaton@naacpldf.org.

Sincerely,

David Wheaton

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² Stateline, *Black Families Fall Further Behind on Homeownership*, Maryland Matters, (October 15, 2022), <https://www.marylandmatters.org/2022/10/15/black-families-fall-further-behind-on-homeownership/#:~:text=The%20overall%20homeownership%20rate%20is,Black%20homeownership%20rate%20is%2051%25>

³ Urban Institute, *The Ghosts of Housing Discrimination Reach Beyond Redlining: Subtitle Why Historical Redlining Maps Are Not Strong Predictors of Present-Day Housing Instability*, (March 15, 2023), <https://www.urban.org/features/ghosts-housing-discrimination-reach-beyond-redlining#:~:text=Because%20of%20a%20range%20of,housing%20cost%20burden%20and%20eviction>.

⁴ Tim Thomas, et al, *Baltimore Eviction Map*, The Eviction Study, (May 8, 2020), <https://evictionresearch.net/maryland/report/baltimore.html#:~:text=Black%20headed%20households%20had%20the,eviction%20rate%20of%205.2%25>.

⁵ Maryland Attorney General COVID-19 Access to Justice Task Force, *Confronting the Covid-19 Access to Justice Crisis*, (January 2021), https://www.marylandattorneygeneral.gov/A2JC%20Documents1/AG_Covid_A2J_TF_Report.pdf