



HB 243

Tax Sales – Homeowner Protection Program – Funding

Hearing before the Senate Budget and Taxation Committee

March 26, 2024

POSITION: Oppose

Community Law Center (CLC) is a 501(c)(3) nonprofit organization, which provides direct legal representation to Maryland neighborhoods and nonprofits, and advocates on issues that impact our community clients, including to reform the tax sale system and to prevent and remediate property vacancy and abandonment.

CLC opposes HB 243, which would roll back tax sale protections and put residents at risk of losing their homes. In 2019, the Maryland legislature passed a law to prevent any residential property or house of worship in Baltimore City from going to tax sale solely for water bills. (These properties could still go to tax sale if they had other liens in addition to water bills.) Since the law went into effect in 2020, thousands of properties avoided going to tax sale, and families and houses of worship were able to keep their properties and stay in their homes.

Now, HB 243 as amended would roll back these protections. Families and community anchors that over the past four years have been protected from tax sale may now be at risk of having their properties go to tax sale – meaning that they may lose their homes, and all their equity and the generational wealth they have built up, over a few hundred dollars in water bills.

We are deeply concerned about the impacts that this legislation could have on families and communities. The most impacted groups will be renters, whose protection will be removed now that the bill has been amended to focus on owner-occupants instead of all residential properties, and families who are living in their family homes but who are not listed on the deed – perhaps because the person on the deed passed away and the property has not yet gone through the probate process.

HB 243 as amended will cause families to lose their homes through eviction and foreclosure – particularly low income Black families in Baltimore City. Families that are already struggling will be forced to try and navigate a complex legal system to save their homes from tax sale. The result will be the loss of homes and equity for families, and the loss of community members and increased property vacancy for neighborhoods. We have seen that many tax sale purchasers who participate in tax sale auctions are only interested in collecting the interest and fees from property owners, and have no intention of acquiring properties through tax sale. The purchasers may not take a foreclosure case to judgment or record a new deed, leaving properties in limbo with title issues and no clarity on who is responsible for maintenance and future taxes. What was an occupied property has now become vacant and abandoned, as a result of tax sale.

We urge you to oppose HB 243, to protect Maryland families and communities. Thank you for the opportunity to testify.

For the above reasons,

CLC urges a UNFAVORABLE VOTE ON HB 243.

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.

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