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The Honorable Guy Guzzone
The Senate Budget and Tax Committee


RE: HB 243 – Property Tax – Tax Sales – Revisions
Position: **SUPPORT**

Dear Mr. Chairman and Esteemed Members of the Senate Budget and Tax Committee:

I am writing in support of HB 243. As an attorney that represents tax sale purchasers, we agree that withholding owner-occupied properties from tax sale who only owe delinquent water is good policy. However, this policy should not apply to all *residential* property, but rather only to homeowner occupied properties. Making this universal to all *residential* property benefits investor-owned property owners who are better positioned to protect their investment from the threat of foreclosure. Investors should not benefit from a loophole in the statute due to the current exclusion of residential property from tax sale. Statistically 95% of properties redeem from tax sale prior to foreclosure¹. With high redemption rates, limiting only the removal of owner-occupied delinquent water property from tax sale will decrease the water bill delinquency for the Counties and Baltimore City. Currently, there is no incentive and no consequence for derelict investor owners to pay water bills.

While housing advocates will argue that this bill does not address inherited properties, there is active legislation that protects this category of property owners from tax sale. Further, the argument that this still affects tenants is without merit. Landlords often have tenants pay water as part of rent. If the Landlord is not paying the water, they are also likely not making necessary repairs or paying other expenses. Continuing to exclude derelict landlords from the threat of foreclosure is not benefiting the tenant or the community.

Thus, we respectfully request that you pass HB 243 as amended.

Sincerely,

Heidi S. Kenny

¹ This statistic is based on the average annual redemption rates from my clients' portfolios over the last several years.