



TESTIMONY
HOUSE BILL 243
Senate Budget & Tax Committee
March 26, 2024
Position: Unfavorable

Dear Chair Guzzone and Members of the Budget and Tax Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland’s community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland’s urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 243 - The amended HB 243 will leave thousands of low-income families and tenants across the state vulnerable to the loss of their homes due to water bills. It would remove housing protections in Baltimore City by reauthorizing the tax sale to collect water debt for residential properties that do not have official designation as “owner occupied.” This means that renters, misclassified homes, and tangled title homes could end up in tax sale foreclosure and evictions due to overdue water bills as little as \$350.

More than 3,000 homes in Baltimore City alone have tangled titles, many others are misclassified, and many are family-owned homes — all would face tax sale foreclosure over water bills. The state’s database designating homes as owner-occupied contain errors. A person could inherit their home from a family member and not have the legal title to the property, making it more likely the home will default to a non-owner-occupied designation. Heirs properties are a problem throughout the state, impacting rural and urban communities alike, disproportionately affecting low income Black communities.

In Baltimore City, the Department of Public Works has a long history of poor records and misapplied payments that have resulted in water bills that are off by hundreds or even thousands of dollars. Despite some system upgrades, billing remains a problem in Baltimore City. Vulnerable older adults should not have to defend their homes from tax sale while also sorting out issues from notoriously error-ridden water bills.

Finally, tax sale leads to vacant and abandoned properties throughout the state of Maryland. Once properties become vacant, the local government struggles to regain a consistent owner caring for the property. Communities lose elderly residents. We urge you to reject HB 243 as amended.

Submitted by Claudia Wilson Randall, Executive Director