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HB 243: Property Tax - Tax Sales - Revisions
Hearing before the Senate Budget and Taxation Committee on March 26, 2024

Position: Unfavorable

Public Justice Center (PJC) is a nonprofit public interest law firm that assists over 800 renters and their families each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. We oppose HB 243, as amended in the House, because it would leave thousands of renting families across the state subject to eviction on less than 30-days' notice in a tax sale foreclosure over error-prone water bills that may not be the responsibility of the tenant. **We urge the Committee to vote unfavorable on HB 243.**

HB 243 as originally drafted was a critical step forward in advancing fairness and equity in tax sale foreclosure. However, the House amended HB 243 to allow renter-occupied homes, among other residences, to be sold at tax sale foreclosure for delinquent water bills. This is a massive step backward for Maryland. The Water Taxpayer Protection Act of 2019 ensured that no home would be sent to tax sale for water bills in Baltimore City. HB 243 would gut that protection.

Tenants only receive 30-days' notice of a tax sale foreclosure eviction. Because low-income families cannot find affordable replacement housing in only 30 days, they are often evicted and nearly 20% of families evicted become homeless.¹ This notice period is far less than an eviction notice in any other type of mortgage foreclosure or other proceeding. Many times the tenant is not responsible for the water bill or the tax sale foreclosure. At times, the water is included in the rent. Sometimes the landlord does not pass along the water bills to the tenant timely for the tenant to pay, or there is a dispute between the landlord and tenant over the amount of the water bill, *i.e.*, the landlord failed to fix the running toilet for 6 months. Because water bills must remain in the name of the owner of the property, it is very difficult for tenants to obtain information on the water bill from the water agency, dispute inaccurate bills, and set up any payment plan. Erroneous

¹ <https://www.mdeconomy.org/eviction-prevention-funds/>

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bills and administrative backlogs have been endemic to Baltimore DPW for years. Tenants are often not responsible for a water bill arrearage, and yet HB 243 as amended will allow their homes to be sold at tax sale for as little as \$350 in past due water bills. This is as little as 2-3 months of typical water bills.

HB 243 as amended will increase the number of renting families who are evicted and face homelessness in Baltimore City by throwing their homes into the byzantine, predatory tax sale foreclosure process over error-prone water bills.

This will have a significant, disparate impact on Black Marylanders as well. Nearly half (47%) of Black households in Maryland rent their homes compared to less than a quarter (23%) of white households. **Disproportionately Black, renting families deserve the same protections from tax sale foreclosure – the most rapid eviction process in the state with only 30-days notice to renters – as disproportionately white homeowners.** Anything less is a failure of racial equity.

As a compromise, we have supported an amendment that would limit tax sale foreclosure on water bills solely to those properties that have been deemed vacant and abandoned by the local jurisdictions. This would accomplish the goal of collecting funds from vacant properties without punishing renting families.

We ask that the Committee issue an **Unfavorable Report on HB 243**. If you have any questions, please contact Matt Hill, Esq., hillm@publicjustice.org (410) 625-9409 Ext. 229.