



HB 243
PROPERTY TAX— TAX SALES – REVISIONS
HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
February 6, 2024
POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics to over 6,200 clients annually. **PBRC supports HB 243 because vulnerable homeowners across Maryland would benefit from increased time after a tax sale auction to redeem to help prevent the loss of their homes.**

Over the past nine years, PBRC has assisted nearly 800 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes. The clients served by our tax sale prevention clinics held in Baltimore in 2023 represented some of our state’s most vulnerable citizens: 60% were seniors, 30% were disabled, 72% identify as Black, and 78% reported annual household incomes of less than \$30,000. Through the advocacy of volunteer attorneys, many of these clients can access programs and credits that reduce their property tax burden allowing them to stay in their homes. However, most Maryland homeowners are unrepresented.

Increasing the threshold of eligibility for tax sale, together with eliminating water bills as a qualifier for eligibility, means that far fewer homeowners will land in tax sale auctions due to small sums owed to the municipality. In the months after the tax sale auctions, most homeowners are able to pull together the funds needed to pay the tax delinquency; however, homeowners are often confused about the redemption process and delay seeking assistance or learning the steps needed to redeem. During that time, additional fees and expenses add up quickly and can make the final cost to redeem too high for the family. The proposed provisions of HB 243 combine to give homeowners additional time to sort through the process to redeem, to gather funds, and to limit the interest owed – all of which will enable more homeowners to redeem, thereby avoiding tax sale foreclosure and keeping their homes and the equity their families have worked to build.

PBRC supports HB 243, which will protect certain Marylanders from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth while stabilizing communities. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on HB 243.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.

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