



**Testimony SB 325
Budget & Taxation Committee
January 25, 2021**

Position: FAVORABLE

Dear Chairman Guzzone & Members of the Budget & Taxation 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.

CDN has been part of the ongoing work to reform the process of tax sale in the state since 2016. In 2017, CDN was a lead partner in the Task Force to Study Tax Sales in Maryland.

SB 325 alters the amount which a person is required to pay the tax collector to redeem property sold at tax sale by limiting the requirement to pay certain taxes accruing after the sale to include only delinquent taxes; requiring that certain notices include certain information; making conforming changes; and generally relating to tax sale redemption.

Most of the people in the state impacted by tax sale are single, African American women living at or below the poverty line. In 2015, the average amount owed was just under \$2500. Though most of the homeowners were eligible for the Homeowner's Tax Credit Program, few had applied or were aware of the program. For these vulnerable homeowners, the tax sale has stripped away generational wealth and housing stability.

Over the years, Maryland has enacted more consumer-friendly policy to prevent the poorest homeowners from losing their houses. These improvements include higher thresholds for tax sale, removal of water bills, and the appointment of a public ombudsman to help owner occupants keep their homes.

Limiting the accrual of taxes after the sale would further eliminate additional fees to this predatory system and help homeowners to more easily understand the amount owed to redeem their property.

We urge your favorable report.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network