



Maryland Consumer Rights Coalition

**Testimony to the Senate Budget & Taxation Committee**  
**SB0325: Tax Sales – Redemption – Nondelinquent Taxes**  
**Position: Favorable**

January 27, 2021

The Honorable Senator Guy Guzzone, Chair  
Senate Budget & Taxation Committee  
3 West, Miller Senate Office Building  
Annapolis, Maryland 21401

cc: Members, Budget & Taxation Committee

Honorable Chair Guzzone and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of SB0325.

Under current law, if a homeowner redeems their sold tax lien certificate after July 1, their new tax bill is added to their redemption payoff amount -- with the exception of owner-occupied residential properties in Baltimore City. This can make redeeming harder for some homeowners who struggle to assemble the necessary funds.

SB0325 would change the date when the new tax bill is added, giving homeowners three extra months to redeem after tax sale before their new bill is added to the redemption payoff amount.

To date, MCRC's Securing Older Adult Resources (SOAR) program has assisted 19 older adult homeowners facing tax lien foreclosure. The average age of these clients is 70 years old. 6 clients' homes were saved because they were granted retroactive credits, some, were referred to legal services, and others, if eligible, applied for the Consumer Small Dollar Loan with Neighborhood Housing Services, (NHS).

Mrs. Smith, a 68 year old homeowner in Baltimore City, was facing tax lien foreclosure and was not eligible for retroactive credits. We applied for the Consumer Small Dollar Loan and she was approved, unfortunately the sum of the loan was not enough to cover the balance owed. While she was relieved that the small dollar loan was available to her, what she really needed was more time to gather the necessary funds before the additional balance was added on. Many of SOAR's clients face the same reality, and most do not qualify for the small dollar loan.



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For all these reasons, we support SB0325 and urge a favorable report.

Best,

Francine Hyman  
Director of the SOAR Program