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**HB 252**  
**TAX SALES – OWNER-OCCUPIED RESIDENTIAL PROPERTY**  
**HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE**  
**JANUARY 19, 2021**  
**POSITION: SUPPORT**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide clearinghouse for pro bono civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. **PBRC supports HB 252 because it would allow withholding from tax sale owner-occupied residential properties for the next two years, thereby preserving homeownership for hundreds of Maryland families who are currently experiencing an economic crisis related to the COVID pandemic and who will need time to recover financially.**

Over the past six years, PBRC has assisted over 650 homeowners at risk of losing their homes to tax sale. The clients served by tax sale prevention clinics held in Baltimore by PBRC and Maryland Volunteer Lawyers Service in 2020 represented some of our state’s most vulnerable citizens: 72% were seniors, 48% were disabled, 85% identify as Black, and nearly three-quarters (72%) reported annual household incomes of less than \$30,000. Through the advocacy of volunteer attorneys, many of these clients can access programs and credits to allow them to stay in their homes. However, the majority of Maryland homeowners are unrepresented.

The average length of homeownership amongst our 2020 Baltimore clients was 24 years, and nearly 75% of them do not have a mortgage. As low-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes. Since these long-time, mostly senior homeowners have paid off their mortgages and no longer have their property taxes sent to an escrow account on a monthly basis, they are faced with a large tax bill all at once. The COVID pandemic has affected already-vulnerable people the most, with job losses and significant reductions in or elimination of household income. A large tax bill is simply not within reach for many Marylanders this year. Further, if the lien certificate to a home is sold at the tax sale auction, the interest and fees added to the cost of redemption will make saving the home an insurmountable feat this year. If a homeowner is unable to redeem, she will lose her house, all of her equity, and any accumulated wealth she could otherwise have passed on to her heirs, all for an outstanding tax bill as low as \$250 in the counties or \$750 in Baltimore City.

PBRC supports HB 252, which will allow Marylanders much-needed time to recover financially from the COVID crisis without having to worry about the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth. Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on HB 252.**

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

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