
SB 194

**PROPERTY TAX— DEADLINE EXTENSION FOR HOMEOWNERS TO
REDEEM PROPERTY INVOLVED IN A TAX SALE
HEARING BEFORE THE SENATE BUDGET & TAXATION COMMITTEE
JANUARY 19, 2022
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 SB 194 because vulnerable homeowners would benefit from increased time after a tax sale auction to redeem to help prevent the loss of their homes.

Over the past seven years, PBRC has assisted nearly 700 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 2021 represented some of our state’s most vulnerable citizens: 81% were seniors, 26% were disabled, 84% identify as Black, and 81% 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.

On average, our 2021 Baltimore clients encountered in our clinics had owned their homes for 28 years, and over 70% of them owned their homes free of a mortgage. As lower-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. Once a homeowner has received notice that they are facing tax sale, there is usually very little time, only a few weeks, to find the money to pay off the tax debt prior to the auction. In the months after the lien certificate auction, many homeowners are able to pull together the funds needed to pay the tax delinquency; however, after the four-month period has passed to redeem with the county for solely the delinquent amount plus interest, and the attorney’s fees and expenses begin to pile up, the cost of redemption can very quickly become out of reach for these homeowners. Increasing the period to six months before additional fees and expenses can be charged would 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 SB 194, which may protect certain Marylanders from 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 SB 194.

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

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