



**Testimony SB 194**  
**Budget & Taxation Committee**  
**January 19, 2022**  
**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. CDN currently serves on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

**SB 194** helps homeowners, whose liens were sold at tax sale, redeem sooner and without paying additional fees (recording, title search, attorney's, etc.) by delaying when these fees are added to the redemption payoff amount. This delays when the new July 1 tax bill is added to the redemption payoff amount) in that it also gives homeowners critical time to assemble the funds to redeem before the redemption payoff amount increases dramatically.

Most of the people in the state impacted by tax sale are older, single, African American women living at or below the poverty line. In 2019, 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 fees after the sale would further erode this predatory system and help redeem their property.

We urge your favorable report.

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