



EXPANDING ACCESS TO JUSTICE FOR 40 YEARS

MARYLAND SENATE BUDGET AND TAXATION COMMITTEE TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE IN SUPPORT TO SB194: TAX SALES - DEADLINE EXTENSION FOR HOMEOWNERS TO REDEEM PROPERTY INVOLVED IN A TAX SALE

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Chairman Guzzone and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 194.

My name is Amy Hennen and I am the Director of Advocacy and Financial Stabilization at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. MVLS was founded in 1981 by a group of concerned Maryland lawyers, legal services providers and leadership of the Maryland State Bar Association. Since then, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY21, MVLS volunteers provided legal services to 3,353 people across the state. As part of our tax sale foreclosure work, we see numerous clients at risk of losing their housing due to not receiving applicable tax credits. For the reasons explained below, we respectfully request a favorable report on Senate Bill 194.

MVLS represents clients who face losing their homes due to unpaid property taxes. Tax sale often affects the poorest homeowners in the most distressed neighborhoods and contributes to vacant and abandoned properties all over the state. In 2013, MVLS and other nonprofit organizations came together to form the Tax Sale Workgroup. Our goal was to protect communities and homeowners, especially people with lower incomes and the elderly, who face the most devastating effects of the tax sale process. Since 2014, MVLS has maintained a partnership with the Pro Bono Resource Center of Maryland to conduct tax sale workshops aimed at helping homeowners avoid tax sale. In the past four years, volunteers have assisted over 350 people at these workshops.

From the data we collected at our 2020 tax sale clinics, 72% of clients are seniors, 48% were disabled, 85% identified as Black, and 72% reported a household income of \$30,000 or less per year. Many of these clients survive on fixed incomes and struggle to pay their bills even before a tax sale happens. We also found that most homeowners live in multigenerational households where they provide shelter and support for their children and grandchildren.

One such client was Karen, who resided in a multi-generational household in Charles County. She had fallen behind on her property

She was actively looking for funds to get her home out of tax sale after the lien was purchased. We explained the timeline and how little time left she had remaining until additional fees would be added. She was nervous because she knew the additional fees would make it impossible for her family to get the total repaid so they could keep their home.

Unfortunately, by the time someone comes to MVLS at risk of tax sale, it is often very difficult to come up with the lump sum they would need to keep their property out of tax sale or redeem it. Our clients are typically older adults on a fixed income and coming up with hundreds or thousands of dollars all at once is nearly impossible. Karen was eventually able to get funds from her extended family and redeem her home from tax sale. However, she was frantic about losing her home and wished she had additional time. SB194 give homeowners like Karen some additional time to raise funds or apply for retroactive credits of the homeowners' property tax credit.

Based on our experience serving Marylanders facing tax sale and the data we have compiled over the years, MVLS strongly supports SB194. We believe that providing our most vulnerable citizens additional time to pay their property tax bill will help stabilize communities and preserve homeownership in neighborhoods across the state.

Mister Chairman and members of the Committee, thank you again for the opportunity to testify.

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Maryland Volunteer Lawyers Service (MVLS) removes barriers to justice through free civil legal help, community engagement, and advocacy for equitable laws.