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LEGAL AID

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January 14, 2021

The Honorable Guy Guzzone, Chairman
Miller Senate Office Building
Budget and Taxation Committee
11 Bladen Street
Annapolis, MD 21401

RE: Testimony of Maryland Legal Aid in Support of Senate Bill 194 – Deadline Extension for Homeowners to Redeem Property Involved in a Tax Sale

Dear Chairman Guzzone and Members of the Committee:

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, and veterans. With 12 offices serving residents in each of Maryland's 24 jurisdictions, MLA advises and represents elderly and low-income persons in the areas of housing, consumer law, foreclosure, family law, children's rights, and administrative law benefits throughout Maryland. MLA submits this written testimony on SB 194 at the request of Senator Guzzone. MLA supports SB194 and asks that the Committee give it a favorable report.

The tax sale process is necessary to ensure that all Maryland counties and the City of Baltimore receive funds to continue providing necessary services. However, once a property is sold at tax sale, the process for individual homeowners is confusing and expensive. Under the current Tax Property statute, after four months, a purchaser of the tax sale lien can contact a property owner and request costs and fees that can add almost \$1000.00 to the cost of the tax sale lien certificate. SB194 would allow property owners additional time to redeem their property from the tax sale without the burden of these additional costs.

MLA advises and represents many low-income homeowners on tax sale matters, often referring clients to apply for the property tax credit program and other financial resources. Interest begins to accrue on the tax lien certificate when a property is sold at a tax sale. Under the current provision of Tax Property §14-843, after four months, a tax sale purchaser may seek up to \$250 for a title search, \$500.00 in attorney's fees, and costs for mailing. Though these costs are limited, in the experience of MLA advocates, rarely, if not ever, is a client who received notice under this provision, not charged the total amount permitted by statute. Additional time to pay only the taxes and interest is a tremendous savings to the property owner, who can then move forward in the redemption process and not face additional costs.

Thank you for considering this written testimony. For the reasons stated above, **Maryland Legal Aid urges a favorable report on SB 194.**

/s/ Louise M. Carwell

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