



Odette Ramos

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Testimony

HB979 – Tax Sales – Homeowner Protection Program – Automatic Enrollment and Funding

March 1, 2022

FAVORABLE

Chair Atterbeary and Members of the House Ways and Means Committee:

I am writing to urge your support for **HB979 – Tax Sales – Homeowner Protection Program – Automatic Enrollment and Funding.**

HB979 expands the Homeowner Protection Program, adding \$20million in one time funding, and ensuring residents can be automatically enrolled.

In the 2021 regular General Assembly session, this body passed HB850 that created the Homeowner Protection Program. Under this program, the state pays the liens for certain taxpayers who are in arrears. The collection arrangement is then between the homeowner and the state, not the homeowner and a third party investor. Only \$750,000 was placed into the program, and for Baltimore that means that only 26 people would qualify.

HB979 expands the program and places an additional \$20million in the fund for FY2024. The state would purchase certain liens and work with homeowners to pay the outstanding amounts. Then the fund is replenished and can be used to assist more homeowners over time.

HB 979 also requires the SDAT Tax Sale Ombudsman to come up with a way for the homeowner to automatically enroll in the program, rather than have to deal with a cumbersome application. Most of the families caught in tax sale are older adults, who may not have the technology or wherewithal to complete these forms.

This legislation is a compliment to the work many of us have engaged in for several years to reform the Tax Sale system. It provides another avenue for jurisdictions to guarantee their taxes and liens are paid, while ensuring the homeowners does not lose their home.

The property tax collection system in Maryland is predatory. Residents do not pay their taxes on time have their lien sold in tax sale. The lien is sold to a third party who then collects the lien, several thousand dollars in fees, and interest. A tax bill of \$1000 could easily end up being \$3,000 or more, and the family chooses between paying this investor or eating, paying for school clothes for children, or medication for elders. No one should have to make that choice. In the event they cannot pay, the investor will foreclose on the property, and the person will lose their home.

Maryland is only one of 20 states that still has this antiquated system. We must do better. This legislation is a step in the right direction.

I urge your favorable report for this legislation.

Please do not hesitate to contact me should you have any questions. I can be reached on 410-396-4814 or via email at odette.ramos@baltimorecity.gov.

Respectfully Submitted:

A handwritten signature in blue ink, appearing to read "Odette Ramos".

Odette Ramos
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