

MARYLAND TAX SALE PARTICIPANTS ASSOCIATION

c/o Law Offices of Frank D. Boston, III
2002 Clipper Park Road, Suite 108
Baltimore, MD 21211
Phone: (410) 323-7090
Fax: (410) 769-8811

February 25, 2022

Subject: House Bill 979 (Property Tax – Tax Sales – Homeowner Protection Program – Automatic Enrollment and Funding)

Sponsor: Delegates Kaiser and Atterbeary

MTSPA Position: OPPOSED

The Maryland Tax Sale Participants Association (MTSPA) **OPPOSES** HB 979. This bill will include the automatic enrollment of properties where current owners are deceased, and subject properties are vacant and abandoned. To avoid over-extension of the Program, the MTSPA strongly suggests limiting the Program to only verified signups by homeowners and not automatic enrollment. This limitation will help reduce neighborhood blight and nuisances, and it will allow taxing authorities to collect delinquent taxes that would not otherwise be collected due to the vacancy and abandonment of such properties.

The \$20,000,000 appropriation requirement puts an unreasonable burden on Maryland taxpayers and the 2024 annual budget bill, and an unrealistic burden on the State Department of Assessments and Taxation. Current law, both on the State and County levels (especially Baltimore City), already provides many opportunities for struggling and vulnerable Maryland citizens to avoid tax sale, as well as helpful programs that can assist if a homeowner ends up in tax sale. Recent legislation has been passed to ensure tax sale is fair and equitable. We need to give the recent changes and programs a chance before reinventing the wheel and causing undue burdens on the State and Maryland taxpayers.

This bill is based on a false narrative that most homeowners who enter tax sale will likely lose their home or face hefty fees and costs, thereby requiring relief. The MTSPA can confidently attest that the number of foreclosures that occur on homeowner properties is **extremely** nominal, with most of the foreclosures occurring on vacant and abandoned properties that were *once* homeowner-occupied. Further, most homeowners pay delinquent taxes prior to fees and costs being incurred. Additionally, MTSPA members and affiliates have consistently worked out payment plans with struggling homeowners, assisted homeowners with reducing fees and costs, and in many cases even forgave the entire tax delinquency.

Limiting the use of tax sale as a tax collection tool will hurt the State, Maryland Counties, and ultimately Maryland taxpayers.

As the Maryland Association of Counties has stated, “the tax sale process, or more specifically the potential for a property to go to tax sale, presents a much-needed tool of last resort to ensure that property owners remit payment for their fair share of taxes and charges connected to public services.”

For the above reasons, MTSPA **OPPOSES** HB 979 and urges and **UNFAVORABLE** report.