



Odette Ramos

Baltimore City Councilwoman

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Testimony
HB1196 – Tax Sales - Alternative Collection Programs
March 1, 2022
FAVORABLE

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

I am writing to urge your support for **HB1196 – Tax Sales - Alternative Collection Programs**.

HB1196 does three major things that are very important to move us toward tax sale reform:

- It enables jurisdictions to provide payment plans to residents who are in arrears of their taxes. Currently jurisdictions take payments but can't provide payment plans that assist the owner.
- It enables jurisdictions to remove anyone from tax sale, as long as at the local level there is clear criteria for removal. This goes beyond the tax sale exemption clause that was placed a few years ago allowing jurisdictions to remove anyone who is low income, senior, or disabled.
- It enables jurisdictions to cancel their tax sales in emergencies.

This law comes from the years of work on tax sale reform for which this Committee has led, years of advocacy from organizations who work with homeowners to prevent them from losing their homes, and from the work of tax sale reform across the state. 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.

By passing HB1196, jurisdictions like Baltimore City can complete our work to reform our property tax collection system so that it benefits our city and ensures that homeowners will be able to pay their taxes. In Baltimore, should this bill pass, we will create a new tax collection system that will provide payment plans for those in arrears, and help us work with homeowners to pay rather than send them to a predatory collection system. Mayor Scott formed the Tax Sale Working Group that is studying this issue in depth. The members of the working group are experts in this field, and I am confident will come up with a system where our residents do not lose their homes, and where our city can more equitably collect tax revenue.

I don't know of anyone who does not want to pay their taxes. Residents face so many different situations – especially now – that prevents them from doing so. Residents report the need to help other family members, having a medical situation, and other difficulties. Our tax collection systems should be flexible enough to help people pay their taxes, and that is what we are striving for in this legislation.

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 black ink, appearing to read "Odette Ramos", is positioned above the typed name.

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