

MARYLAND TAX SALE PARTICIPANTS ASSOCIATION

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Subject: House Bill 1196 (Property Tax – Tax Sales – Alternative Collection Programs)

Sponsor: Delegate C. Branch

MTSPA Position: OPPOSED

The Maryland Tax Sale Participants Association (MTSPA) **OPPOSES** HB 1196. The intent of this bill is to authorize counties to withhold from tax sale property that meets objective criteria established by law; authorizing counties to withhold from tax sale property enrolled in a payment program established by law; and authorizing counties to cancel or postpone a tax sale during a state of emergency.”

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 does end up in tax sale. Recent legislation has been passed to ensure tax sale is fair and equitable. Specifically, current law *already* allows counties to withhold properties from tax sale if certain criteria is met. Additionally, current law *already* allows counties to postpone and cancel a tax sale *even* when there is no state of emergency.

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 1196 and urges and **UNFAVORABLE** report.