

Written Testimony HB 235- extend deadline to redee

Uploaded by: Allison Harris

Position: FAV



HB 235
PROPERTY TAX— DEADLINE EXTENSION FOR HOMEOWNERS TO
REDEEM PROPERTY INVOLVED IN A TAX SALE
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE
MARCH 29, 2023
POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics. **PBRC supports HB 235 because vulnerable homeowners would benefit from increased time after a tax sale auction to redeem to help prevent the loss of their homes.**

Over the past eight years, PBRC has assisted nearly 800 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes, not an unwillingness. The clients served by our tax sale prevention clinics held in Baltimore in 2022 represented some of our state’s most vulnerable citizens: 74% were seniors, 39% were disabled, 76% identify as Black, and 76% reported annual household incomes of less than \$30,000. On average, our 2022 Baltimore clients encountered in our clinics had owned their homes for 32 years, and over 70% of them owned their homes free of a mortgage. As lower-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes.

Once a homeowner has received notice that they are facing tax sale, there is usually very little time, only a few weeks, to find the money to pay off the tax debt prior to the auction. In the months after the lien certificate auction, many homeowners are able to pull together the funds needed to pay the tax delinquency; however, after the four-month period has passed to redeem with the county for solely the delinquent amount plus interest, and the attorney’s fees and expenses begin to pile up, the cost of redemption can very quickly become out of reach for these homeowners. Increasing the period to six months before additional fees and expenses can be charged would enable more homeowners to redeem, thereby avoiding tax sale foreclosure and keeping their homes and the equity their families have worked to build.

PBRC supports HB 235, which will protect certain Marylanders from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on HB 235.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.

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Delegate Kaiser Testimony in Support of HB 235 for

Uploaded by: Anne Kaiser

Position: FAV

ANNE R. KAISER
Legislative District 14
Montgomery County

Health and Government
Operations Committee

House Chair
Joint Committee on Cybersecurity,
Information Technology and
Biotechnology



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of
House Bill 235: Property Tax - Deadline Extension for Homeowners to Redeem Property
Involved in a Tax Sale
March 29th, 2023**

Chair Guzzone and esteemed members of the Budget and Taxation Committee, it is my pleasure to come before you and offer testimony in favor of **House Bill 235: Property Tax - Deadline Extension for Homeowners to Redeem Property Involved in a Tax Sale**.

This bill gives property owners an additional two months after the tax sale to redeem their property without having to pay the tax sale purchaser's expenses, which include things like a title search fee and attorney's fees. As the committee knows, homeowners whose homes face tax sales can owe just hundreds of dollars, but ultimately may pay tax lien purchasers thousands in fees.

This bill is another step that the Maryland General Assembly has taken in recent years to help homeowners keep their homes and not lose the equity they have built up over decades.

HB 235 passed the House of Delegates by a vote of 138-0.

I urge a favorable report on **House Bill 235**. Thank you.

CDN HB235 FAVORABLE CO.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony HB 235
BUDGET and TAXATION COMMITTEE
March 28, 2023
Position: FAVORABLE

Dear Chairman Guzzone and Members of the Budget and Taxation Committee

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

HB 235 – Extends the time from 4 months to 6 months that has to pass after a tax sale before the holder of the certificate of sale of the property may be reimbursed for certain expenses when the property is redeemed.

CDN has been part of the ongoing work to reform the process of tax sale in the state since 2016. In 2017, CDN was a lead partner in the Task Force to Study Tax Sales in Maryland. CDN currently serves on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

Once a homeowner has received notice that they are facing tax sale, there is little time, to find the money to pay off the tax debt prior to the auction. In the months after the lien certificate auction, some homeowners are able to pull together the funds needed to pay the tax delinquency; however, after the four-month period has passed to redeem with the county for solely the delinquent amount plus interest, and the attorney's fees and expenses begin to pile up, the cost of redemption can very quickly become out of reach for these homeowners.

Most of the people in the state impacted by tax sale are older, single, African American women living at or below the poverty line who owed less than \$3000. Many have lost spouses or children who were taking care of taxes and household expenses. Increasing the period to six months before additional fees and expenses can be charged would help more homeowners avoid tax sale foreclosure and keep their homes and the equity their families have worked to build.

We urge your favorable report for HB 235.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

HB235 Crossover.pdf

Uploaded by: Dan Ellis

Position: FAV



Neighborhood Housing Services of Baltimore, Inc.

March 28, 2023

Senator Guy Guzzone
Budget and Taxation Committee
Miller Senate Office Building
Annapolis, Maryland 21401

RE: House Bill 235

Honorable Senator Guzzone and Members of the Committee:

I am the Executive Director of Neighborhood Housing Services of Baltimore (NHS), and a resident of Baltimore City. Our organization believes that economic and social justice are a right for all people and communities. We promote this belief by removing barriers of access to homeownership, helping resident access resources to maintain their homes, and supporting communities historically impacted by systemic disinvestment. I have worked on tax sale reform supporting residents and communities for more than 10 years and currently serve as co-chair of Mayor Scott's Tax Sale Work Group identifying ways to reform and improve the tax sale system.

HB235 extends the date from which fees can be included in the redemption amount for liens purchased through tax sale from 4 months to 6 months. This change will provide additional time for property owners to redeem their property without incurring significant additional fees. For some homeowners this is the difference between being able to afford the redemption and not being able to keep the home. In Baltimore City the timeline was extended from 4 to 7 months several years ago. In our experience this additional time has helped residents be able to preserve their home. The additional time is also helpful for property owners accessing local and state programs to assist with these payoffs. It often takes several months to navigate through these programs and the additional time before additional fees are assessed increases the opportunity to benefit from these programs.

We ask that the Committee issue a *favorable* report on HB 235 as we continue to work on ways to reform the tax sale system.

Sincerely,

Daniel T. Ellis
Executive Director



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HB0235.docx.pdf

Uploaded by: Director Michael Higgs

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MICHAEL HIGGS
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HEARING DATE: March 29, 2023

BILL: HB0235

TITLE: Tax Sales - Owner-Occupied Property - Foreclosure, Notice, and Reimbursement of Expenses

SDAT POSITION: SUPPORT

HB0235 would help Maryland homeowners by giving them critical extra time to avoid interest, fees, and foreclosure after their lien is sold in a tax sale.

This legislation:

1. Delays a foreclosure by a lien purchaser on an owner-occupied property from six to nine months after a tax sale.
2. Delays when \$750 in fees can be added to a homeowner's redemption payoff amount, from four to seven months after a tax sale.

This critical extra time gives homeowners the chance to assemble the funds they need to redeem and to apply for and access the variety of assistance resources that are available. Further, by moving back the \$750 charge, homeowners may be able to redeem sooner, and further help them to avoid added interest.

This legislation expands consumer protections that were only available in Baltimore City.

Creating a statewide uniform timeline would help homeowners get better access to available resources, assemble the necessary funds, pay their taxes, and keep their homes.

For these reasons, SDAT urges a favorable vote on HB0235.

HB 235 Crossover_Consumer Protection Division_Favo

Uploaded by: Kira Wilpone-Welborn

Position: FAV

ANTHONY G. BROWN
Attorney General

CANDACE McLAREN LANHAM
Chief of Staff

CAROLYN QUATTROCKI
Deputy Attorney General



WILLIAM D. GRUHN
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Consumer Protection Division

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OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

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March 27, 2023

To: The Honorable Guy Guzzone
Chair, Budget and Taxation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 235 – Tax Sales - Owner-Occupied Property - Foreclosure, Notice, and
Reimbursement of Expenses (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports House Bill 235 sponsored by Delegates Kaiser, Ebersole, Fair, Grossman, Hill, McCaskill, McComas, Taveras, and Terrasa. House Bill 235 would expand, to be statewide, tax sale protections that currently only apply in Baltimore City. Namely, for owner-occupied properties, under House Bill 235, the holder of a certificate of tax sale can only begin sending statutorily required notices seven (7) months after the tax sale and may not be reimbursed for expenses incurred within seven (7) months after the date of sale.

As The Baltimore Banner recently reported, homeowners who owe as little as \$750 can find a tax lien on their occupied homes in under a year.¹ And if left unpaid, these homeowners can face the harsh consequence of losing their homes and any accrued equity, which disrupts intergeneration wealth creation and community stability. Increasing the amount of time a homeowner may redeem their property without added fees and costs, reduces the financial barrier many low-income, senior, and disabled homeowners face in securing their property after a tax sale.

The Division requests that the Budget and Taxation Committee give House Bill 235 a favorable report.

cc: Members, Budget and Taxation Committee

¹ See, <https://www.thebaltimorebanner.com/community/housing/baltimore-tax-sale-lien-auction-64APUHOPUF6VJ4Z6IX6WC7NMU/>.

Testimony Hb235_2.23 budget and tax.pdf

Uploaded by: Odette Ramos

Position: FAV



Odette Ramos

Baltimore City Councilwoman

District 14

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Testimony

HB235 – Property Tax – Deadline Extension for Homeowners to Redeem Property Involved in a Tax Sale

March 29, 2023

FAVORABLE

Honorable Chair Guzzone and Distinguished Members of the Budget and Taxation Committee:

I am writing to urge your support for **HB235 – Property Tax – Deadline Extension for Homeowners to Redeem Property Involved in a Tax Sale**. Thanks so much to Delegate Kaiser for introducing this bill.

HB235 extends the time that Homeowners have to redeem their properties from the lien holder after tax sale from 4 months to 6 months before the lienholder can charge certain fees outlined in the bill in every jurisdiction except Baltimore City that is already at 7 months.

This action will assist homeowners in the rest of the state who are unfortunately in a situation where they got behind in their taxes and possibly other liens. State law says that these homeowners have two years to redeem from the time the tax sale occurs, but if they don't redeem after 4 months, the lien holder can begin to charge additional fees and interest. So a lien of \$750 can easily turn into a payment to the lien holder of multiple thousands of dollars.

In the spirit of fairness and equity, the Committee may want to consider extending this to 7 months just as in Baltimore City.

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:

Odette Ramos
Baltimore City Councilwoman, District 14