



Odette Ramos

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Testimony
SB766 – Baltimore City – Collection of Unpaid Taxes
March 8, 2023
FAVORABLE

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

I am writing to urge your support for **HB766 – Baltimore City – Collection of Unpaid Taxes**. Thanks so much to Chair Carter and the Scott Administration for introducing this legislation.

Tax Sale is the antiquated process by which taxes and outstanding liens are collected. The jurisdiction, while labeled “the collector” in state law, sells the liens to a third party. The jurisdiction is made whole, and the third party goes to collect the debt. State law allows for the third party to collect the debt and significant fees and interest, so a \$750 bill may end up double or triple that in a matter of months. Residents in this situation work hard and make choices between health care, food, and other necessities in order to pay the tax sale purchaser so they won’t lose the home. In some cases, they lose the home. This system especially impacts our older adults who either forgot to pay because they no longer have a mortgage to pay for them, or they have health issues that require their attention thus tax payments are put on hold, or some other hardship. In Baltimore City, this impacts Black families the most, and takes away intergenerational wealth.

Many advocates and law makers have been working to reform this system for several years. Since the 2017 Tax Sale Task Force dictated by this body, small changes have been made here and there. Finally, Baltimore City leadership is ready to lead, and reform the entire system to ensure that our elders and families do not fall prey to the outdated tax sale system.

SB766 authorizes Baltimore City to create our own collection system that does not have to comply with the current tax sale system that is prescribed in state law. It authorizes Baltimore City to cancel the tax sale at any time and remove from tax sale any property without restriction. Our system will be a humane and equitable system that works with elders and families to ensure their asset is safe from foreclosure, and only uses In Rem as the extremely last resort. The new system will allow for families to enter into payment plans and provides supports for them.

While Baltimore City automatically gets \$18million to \$20million a year at each tax sale, this is a miniscule amount compared to the hardship that families go through each year, and in fact cost us more to provide for them. We will still be able to collect these funds through our new system.

I am grateful for the leadership of Mayor Scott and the Tax Sale Work Group that he assigned for their hard work in ensuring reform. Baltimore City will be an example for the state and the nation on how our liens can be collected in a fair and equitable way.

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", is positioned above the typed name.

Odette Ramos
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