



HB 867/SB 766
BALTIMORE CITY TAX SALE – COLLECTION OF UNPAID PROPERTY TAXES
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE
MARCH 8, 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 volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. PBRC supports HB 867/SB 766 because it would allow the City of Baltimore to make its own determinations about how and when to conduct tax sale auctions, thereby potentially preserving homeownership for hundreds of families while addressing other local concerns, including the issues of vacancy and blight that are particular to Baltimore.

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.

Baltimore City, where we primarily operate our tax sale work, has a particularly high number of residents facing tax sale: the City mailed Final Bills and Legal Notices in February 2023 to nearly 7,700 owner-occupied homes. The City government has recognized that there is a better way to address these delinquencies than through the current tax sale system: allowing payment plans will enable more residents to pay what they owe, interest and expenses can contribute to the City’s revenue instead of going in the pockets of third-party investors, and residents will have the extra time they need to pay down their tax debt. The Mayor of Baltimore is committed to helping residents who are at risk of tax sale, committed to reducing the inequities, to ending predatory third-party involvement, and committed to addressing the problem of vacancy. But, as the State tax sale law currently stands, he is hampered in his ability to reform the tax sale auction process to better suit the needs of this City.

PBRC supports HB 867/SB 766, which will permit Baltimore to best determine how and when to conduct tax sales according to its own needs, allowing for alternative options that may preserve homeownership for City residents, address the critical issue of vacancy, and allow the City to more effectively collect property tax revenues. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on HB 867/SB 766.

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