



Neighborhood Housing Services of Baltimore, Inc.

March 6, 2023

Delegate Luke Clippinger
Judiciary Committee
House Office Building Room 101
Annapolis, Maryland 21401

RE: House Bill 865

Honorable Chairman Clippinger 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 residents 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.

In October 2021, Mayor Scott appointed me co-chair, along with the Deputy City Administrator, of a work group charged with creating an equitable tax collection system that would serve the needs of residents of Baltimore City. The work group, made up of advocates and tax sale stakeholders familiar with the current tax sale system, recognized the need to develop an entirely new system rather than adjust the current system. This is because the existing system has functioned to strip wealth from low-income city residents while contributing significantly to the vacant property challenges encountered in the city by creating confusion about property ownership and responsibility. The work group also recognized that for occupied properties we need a system that treats residents with dignity and provides affordable and accessible ways to make payments while for vacant properties we need an efficient way for the city to be able to obtain title to a property. The work group established two sub-groups that met to identify solutions and make recommendations. HB865 is one of three bills that were developed out of work done by the group. All meetings were open with participation from diverse stakeholders.

HB865 addresses issues with heir properties and estates. There were two primary issues related to estates that emerged from the work of the group. Both are addressed in this bill. The first is that when a property owner dies and an estate is opened there are times that the heirs do not want the property and it is discharged from the estate. At a future time whenever the city is interested in acquiring the property, they are required to reopen the estate and provide notice to all heirs. HB865 would remove the need to reopen the estate after the property is discharged because all heirs have expressed through the discharge that they have no interest in the property. The property will also be offered to Baltimore City, and they may choose to acquire the property for no cost. This would help avoid a period of time with no legal ownership since it has been discharged by the estate and the prior owner is deceased.



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The second issue addressed by HB865 is allowing heirs to acquire properties with existing liens. Currently all liens are required to be satisfied prior to the property being transferred. This requirement means that even though family members live in the homes they do not have the rights of ownership or access to any equity generated by the home. They are also not able to access federal, state, and local programs designed to assist homeowners. This creates barriers for making repairs for the home and to accessing important state tax credits designed for homeowners. HB865 would allow properties to be transferred without all debts being satisfied. The transfer would not reduce the debt but would provide an interested party who could satisfy the obligations over time. They could enter into payment plans that are affordable and also access programs to support them. This is also common practice in many states. It will result in increased collections by the city because the interested party would have incentive to pay the liens. They would also have the support needed to be successful. It would also support legacy wealth allowing families to maintain wealth across generations.

We ask that the Delegation issue a *favorable* report on HB865.

Sincerely,

A handwritten signature in black ink, appearing to read "D. T. Ellis".

Daniel T. Ellis
Executive Director



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