

SB 766 - Favorable As Amended

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My name is Mike Eskinazi. I am a tax sale investor, licensed real estate agent, and 8 year resident of Baltimore City.

I am favorable to this bill as amended.

The original version of the bill was far too broad. Rather than focusing on legacy city residents, as the mayor requested and which the amended bill achieves, it attempted an entire overhaul of Baltimore's tax sale system to disastrous effect.

In my view the original bill went way beyond the priorities issued by the mayor to the tax sale task force "The creation of an equitable and transparent tax sale process to particularly aid legacy city residents." It did so without study, or input from the relevant financial departments and it was written in a way that would cost the city tens of millions of dollars in investor property tax revenue.

Wholesale replacement of the city's efficient and effective tax lien system in the name of protecting Owner-Occupants made no sense. Owner-Occupied property made up only 20% of Tax sale historically, 5% of the tax sale in 2021 and none of the tax sale in 2022. The amended bill permanently removes Owner-Occupied property from the tax sale without destroying essential city tax revenue from Investor-owned Properties.

This allows the city to retain the benefit of its 98% property tax collection rate on investor-owned property under its current efficient and effective tax sale system. Tax Sale is the catalyst that gets delinquent investors to pay. DPW testified to the Tax Sale Task Force that water revenue dropped significantly when water bills were removed from tax sale. Investor property tax revenue would suffer a similar drop if Tax Sale were cancelled for all investor-owned properties.

Put simply in its original form the bill amounted to a huge investor bailout that jeopardized funding for essential city services and programs that Baltimore residents, especially vulnerable and low income, rely on.

The original bill **nonsensically extended owner-occupant protections to Non-Owner occupant investors** (landlords, rehabbers, property speculators, business owners), at the expense of essential property tax revenue. Giving investors who DON'T NEED THE RELIEF a 3 year reprieve on their property tax payments, would create a multi-year rolling property tax revenue shortfall of over 100 million dollars!

That would have recklessly and needlessly jeopardized the essential property tax-funded programs and services (education, safety, extra-curricular, infrastructure) that Baltimore residents depend on.

The amended bill creating a new IN REM tax sale system for Owner-Occupied property only a win-win for everybody! It protects vulnerable owner occupants from tax sale while simultaneously ensuring the city's ability to continue collecting essential tax revenue on Investor-owned properties through its very efficient current tax sale system.