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January 20, 2023

The Honorable Delegate Vanessa Atterbeary, Chair
House Ways and Means Committee
House Office Building, Room 131
Annapolis, Maryland 21401

RE: Testimony of Maryland Legal Aid in Support of House Bill 83 – Property Tax – Tax Sales - Redemption

Dear Chairman Atterbeary and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill 83. HB 83 supports the tax sale process for the tax collector and the property owner by ensuring that the property owner is given the opportunity to redeem the property from tax sale. If the holder of a tax lien certificate fails to comply with requests from the owner and the collector for the amount of expenses due the holder, HB 83 protects the owner's right of redemption. Maryland Legal Aid (MLA) supports HB 83 and asks that this Committee give the proposed legislation a favorable report.

MLA is Maryland's largest civil non-profit law firm, providing free legal services to low-income Maryland residents. MLA assists individuals and families in every Maryland county with a wide array of civil legal issues, including protecting people from the epidemic of the loss of housing across the state. This letter serves as notice that Lee Ogburn will testify on behalf of MLA in support of HB 83, at the request of Delegate Vanessa Atterbeary.

MLA has a long history of preserving home ownership for clients who are caught in the tax sale process, and does so to this day. The multiple steps that any homeowner must follow to redeem property from a tax sale—that is to say, to get their home back—is complex, even for a person with the resources to pay the amount owed and who asks all the correct questions. MLA clients are the most vulnerable parties in a tax sale because they have very limited income and are not able to navigate a difficult, multi-step system. As a result, MLA clients often end up paying more to redeem their homes, or worse yet lose their homes, thereby robbing them and their community of stability and precious assets. And that's to say nothing of the numerous low-income clients that MLA cannot reach.

HB83 addresses the problem that arises if there is no release issued by the tax lien owner by nevertheless allowing the property owner to redeem after the tax sale purchaser is contacted by the owner and the collector. The current tax sale process requires that, a few months after a tax sale auction, the owner of the property must obtain a statement from the tax sale purchaser or its attorney (often called a release), after paying the costs and due to the purchaser. The release must be sent to the collector before an owner can complete the final step to redeem by paying the taxes

and interest due. If no release is received by the collector, the owner cannot redeem the property. In fact, MLA has encountered cases where the tax sale purchaser does not respond to a self-represented homeowner's requests for the release, or does not respond in a timely fashion. The result for the owner was time wasted, an increase in the amount of interest charged on the tax lien certificate, and an increase in fees that had to be paid to the tax lien holder. This is all through no fault of their own. HB83 resolves this unnecessary impediment, thereby safeguarding their homes by supporting redemption from tax sale.

For these reasons, MLA respectfully asks that the Committee give HB83 a favorable report.

Sincerely,

/s/ Lee H. Ogburn
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