



Testimony HB 867
Ways & Means Committee
February 28, 2023
Position: FAVORABLE

Dear Chairperson Atterbeary and Ways and Means Committee Members:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

CDN has been part of the ongoing work to reform the process of tax sale in the state since 2016. In 2017, CDN was a lead partner in the Task Force to Study Tax Sales in Maryland. CDN currently serves on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

HB 867 – Authorizes he Mayor and City Council of Baltimore City to establish an installment payment program for taxes in arrears on residential property; authorizing the Mayor of Baltimore City to cancel the annual tax sale; authorizing the Mayor and City Council of Baltimore City to establish a program to divert residential property from the private tax lien sale process into an alternative program for the payment of taxes in arrears; etc.

Most of the people in the state impacted by tax sale are older, single, African American women living at or below the poverty line in Baltimore city. In 2021, the average amount owed was just under \$3000. Though most of the homeowners were eligible for the Homeowner's Tax Credit Program, few had applied or were aware of the program. For these vulnerable homeowners, the tax sale has stripped away generational wealth and housing stability.

Over the years, Maryland has enacted more consumer-friendly policy to prevent the poorest homeowners from losing their homes. These improvements include higher thresholds for tax sale, removal of water bills, and the appointment of a public ombudsman to help owner occupants keep their homes. This problem also contributes to vacancy in Baltimore City.

Payment plans for households behind on taxes would allow more vulnerable older women to stay in their homes and in their communities.

We urge your favorable report for HB 867.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network