



Testimony

March 24, 2023

SB766/HB867 Baltimore City – Collection of Unpaid Property Taxes

Support without amendments

The SOS Fund, an independent 501(c)(3) non-profit organization, addresses the systemic housing instability experienced by historically red-lined communities in Baltimore City. This instability has resulted in generations of residents losing their homes, thus denying them the wealth-building capacity of homeownership. **The SOS Fund supports HB867/SB766 without amendments.**

The proposed amendment would be highly damaging to the intent and integrity of these bills for two reasons:

First, it is impossible to accurately delineate “owner occupied” properties. As we know, the city struggles with an enormous amount of misclassified properties. In addition, there are thousands of “tangled title” and heirs properties that would be excluded from the protections offered by the bill if the amendment is included.

Second, the city should oversee and conduct its own tax collection system. Financially, this makes sense as currently, 80% of properties with certificates purchased in tax sale are not owner occupied. This is about \$12 million annually. Assuming 80% of these properties enter 2-year payment plans this will result in about \$2 million in interest annually. This revenue will offset costs associated with implementing the payment plans and conducting the outreach. If the bill is limited to only owner occupied properties, the interest generated will be reduced to about \$400,000. This would not offset the cost of outreach efforts and implementation of payment plans. Outreach is a key component of housing stability and revenue generation in the future.

For the above reasons,

The SOS Fund urges a FAVORABLE report without amendments on HB SB766/HB867

Please contact John Kern, Director of Programs, with any questions. john@thesosfund.com

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