



TESTIMONY
HOUSE BILL 16
Senate Budget & Tax Committee
March 26, 2024
Position: FAVORABLE

Dear Chair Guzzone and Members of the Budget and Tax Committee:

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 envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

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. CDN helped to establish the Homeowner Protection Program in Maryland and we are excited by its progress.

HB 16 - The purpose of requiring each collector to include with each property tax bill a separate insert that describes the Homeowner Protection Program and encourages taxpayers to make a voluntary donation to the Program through a website maintained by the State Department of Assessments and Taxation; prohibiting the collector from delivering a certificate of sale to the purchaser of a property at a tax sale until the purchaser has paid a certain fee to the collector; requiring the fee to be credited to the Homeowner Protection Fund.

Most of the people in the state impacted by tax sale foreclosure are older, single, African American women living at or below the poverty line who owe less than \$3000. Few were aware of the state Homeowner's Tax Credit, the state Homestead Tax Credit, the Homeowner's Protection Program, or the housing and financial counselors and legal service providers available to help them apply for the programs. The Homeowner Protection Program can be a lifeline for these households and extend the time that they can help older homeowners to age in place and remain in homes purchased more than 20 years ago.

Additional outreach could help protect more vulnerable homeowners from losing their homes. We urge your favorable report for HB 16.

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