



TESTIMONY
HOUSE BILL 54
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.

Currently, in any transfer of property, the taxes and liens must be paid prior to the transfer of property. This includes the cases with heirs wanting to put a property they inherited in their name. An heir has to come up with the funds to pay off those liens first before making the property theirs. In many disinvested communities across the state, low income descendants are simply unable to come up with the funds to pay off the liens and property remains vacant.

Further this policy cuts off many heirs from support and assistance programs because their name is not on the deed. This legal entanglement exacerbates the vacant property crisis in Baltimore City and Dorchester counties

HB54 - Allows for property to be transferred to heirs even if there are outstanding liens as long as there is a payment plan arrangement in place. This law would give heirs time to pay off the debt and apply for any programs to help with repairs, repayments, etc. as needed.

In addition, HB 54 enables any county or municipality to create payment plans in general, not just for these heirs properties. This also will assist homeowners facing historic inflation avoid tax sale. A state run well publicized centralized system for payment plans would help older adults to pay their property taxes and afford food, medicine and other expenses.

We urge your favorable report for HB54.

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