



SB 519
BALTIMORE CITY – TAX SALES – OWNER-OCCUPIED PROPERTIES
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE
February 7, 2024
POSITION: FAVORABLE WITH AMENDMENTS

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics to over 6,200 clients annually. **PBRC supports SB 519 because it would allow the City of Baltimore to make its own determinations about properties to include in its tax sale auctions, thereby potentially preserving homeownership for hundreds of families while addressing other local concerns, including the issues of vacancy and blight that are particular to Baltimore.**

Over the past nine years, PBRC has assisted nearly 800 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes. The clients served by our tax sale prevention clinics held in Baltimore in 2023 represented some of our state’s most vulnerable citizens: 60% were seniors, 30% were disabled, 72% identify as Black, and 78% reported annual household incomes of less than \$30,000. On average, our Baltimore clients have owned their homes for 25 years, and 70% of them own their homes free of a mortgage. As lower-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes.

Baltimore City, where we primarily operate our tax sale work, has a particularly high number of residents facing tax sale. The City government is committed to helping residents who are at risk of tax sale, committed to reducing the inequities. But, as the State tax sale law currently stands, the City is hampered in its ability to make its own decisions about the needs of this City related to the tax sale auction.

PBRC would support an amendment to the bill to remove “owner-occupied” from line 21 of page 1 (Section 14–811(b)(2)(II)). This would broaden the impact of the bill, giving Baltimore City wider authority to remove residential properties from tax sale. Each spring at our tax sale clinics, we serve residents living in homes misclassified as non-owner-occupied even when the homeowner does actually reside at the property. These are almost always adult children of the original homeowner who did not go through the probate process to properly obtain title, and SDAT subsequently changed the occupancy designation upon receiving return mail from the home with the person on the title marked “deceased”. In addition, the broader “residential properties” category includes properties occupied by tenants and family members of property owners that also deserve protections and removal from tax sale if the Baltimore City collection authority deems it in the City’s best interest.

PBRC supports SB 519, which will permit Baltimore to best determine how to conduct tax sales according to its own needs, allowing for alternative options that may preserve homeownership for City residents. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE WITH AMENDMENTS report on SB 519.

Please contact Allison Harris, Director of PBRC's Home Preservation Project, with any questions.
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