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## HB 16

### Tax Sales – Homeowner Protection Program – Funding

Hearing before the Senate Budget and Taxation Committee

March 26, 2024

**POSITION: Favorable**

Community Law Center (CLC) is a 501(c)(3) nonprofit organization, which is a legal partner to Maryland neighborhoods and nonprofits in pursuit of more just and vibrant communities. CLC provides direct legal representation to communities and nonprofits on issues like tax exemption and organizational governance, real estate, contracts, intellectual property, employment law, and more. We advocate on issues that impact our Maryland neighborhood and nonprofit clients, including to reform the tax sale system and to prevent and remediate property vacancy and abandonment.

**CLC supports HB 16 to provide continuing support to and awareness of the Homeowner Protection Program.** The Homeowner Protection Program is critical to protecting low income, senior, and disabled homeowners in tax sale. It helps these homeowners and their families to stay in their homes and prevents their homes from being lost in tax sale foreclosure. Community Law Center works with communities that have seen the devastating impact of tax sale on their neighborhoods, as homeowners fall behind on their taxes and find themselves in tax sale. If they cannot redeem their property from the lien certificate holder, they can lose the property to foreclosure.

While this loss is a major blow individual families, who lose the generational wealth accumulated in their family home, it also harms the surrounding community, with the loss of that family to the social fabric of the neighborhood. We have found that in many cases, tax sale certificate purchasers participate in tax sale to collect the tax debt, interest, and fees, and do not intend to actually acquire the property at the end of the process. They may go through the entire tax sale foreclosure to judgment but never record a deed, leaving the property and the neighborhood in limbo. Often these properties go from being occupied and cared for, to being vacant, abandoned, and decaying.

Keeping homeowners in their homes and working with them through the Homeowner Protection Program not only helps individual homeowners and their families, it keeps Maryland communities strong by preventing property vacancy and abandonment. CLC supports HB 16. Thank you for the opportunity to testify.

For the above reasons,

**CLC urges a FAVORABLE VOTE ON HB 16.**

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.  
ShanaR@communitylaw.org | 410-366-0922 x 118