

# Written Testimony HB 16 - HPP Funding - Senate.pdf

Uploaded by: Allison Harris

Position: FAV



---

**HB 16**  
**TAX SALES – HOMEOWNER PROTECTION PROGRAM – FUNDING**  
**HEARING BEFORE THE HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE**  
**March 26, 2024**  
**POSITION: SUPPORT**

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 HB 16 because the ongoing existence of Maryland’s Homeowner Protection Program is vital to helping homeowners facing tax sale to resolve their property tax delinquencies and to avoid foreclosure.**

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 2023 Baltimore clients encountered in our clinics had owned their homes for 24 years, and 70% of them owned 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.

Homeowners who call us after they receive a notice that their taxes are delinquent or that their lien was sold at the tax sale auction almost inevitably are confused: they don’t fully understand what the tax sale is or what the auction is, what it means for their property interest, or how to resolve the situation. Most homeowners we encounter try to pull together the funds to pay or redeem – either through family help or a through eligibility for a financial assistance program – but they often delay or fail to complete the redemption process in a timely manner because they don’t have critical information about deadlines, additional resources, or processes to redeem. Maryland’s Homeowner Protection Program (HPP), implemented in 2023, now helps homeowners faster, more directly, and earlier in the process by informing homeowners of the redemption process and by guiding them to available resources. Most critically, the HPP pays the delinquency for enrolled homeowners and puts them on a three-year repayment plan, thereby ensuring the homeowner cannot lose the home to tax sale for at least the repayment period. Over the next few years, the HPP can greatly increase the number of homeowners who pay off their property tax delinquencies and retain their homes. However, the HPP needs dedicated funding to continue operating into the future. Establishing a donor fund and requiring tax sale investors – those who profit from the practice of third-party lien purchasing – to pay a fee directly supporting the HPP is the practical mechanism for creating a needed funding stream.

PBRC supports HB 16, which will help ensure the continuation of Maryland’s Homeowner Protection Program, thereby preserving homeownership and the transfer of intergenerational wealth for our state’s most vulnerable residents while stabilizing communities. Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on HB 16.**

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.  
[aharris@probonomd.org](mailto:aharris@probonomd.org) • 443-703-3050

# **HB16 Senate Testimony Kaiser.pdf**

Uploaded by: Anne Kaiser

Position: FAV

ANNE R. KAISER  
Legislative District 14  
Montgomery County

Health and Government  
Operations Committee

House Chair  
Joint Committee on Cybersecurity,  
Information Technology and  
Biotechnology



The Maryland House of Delegates  
6 Bladen Street, Room 425  
Annapolis, Maryland 21401  
301-858-3036 · 410-841-3036  
800-492-7122 Ext. 3036  
Fax 301-858-3060 · 410-841-3060  
Anne.Kaiser@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of  
HB 16: Tax Sales - Homeowner Protection Program – Funding  
March 26, 2024**

Chair Guzzone and esteemed members of the Budget and Taxation Committee, it is my pleasure to come before you and offer testimony in favor of **House Bill 16: Tax Sales – Homeowner Protection Program – Funding**.

Thank you to the committee for helping to create the Homeowner Protection Program back in 2021. As per the fiscal note from then, the program was created to divert vulnerable homeowners from the private tax lien sale process to minimize cost for homeowners, help them pay their taxes, and most importantly, to allow them to remain in their homes.

That law also created a special, nonlapsing fund to finance the program and initially required a \$750,000 state investment for three consecutive years. This fund is also sustained by tax and interest payments as well as by interest earnings. But given that the State Department of Assessment and Taxation (SDAT) must limit enrollment based on the level of funds in the program, more funds are needed to help more distressed homeowners.

As you know, people in tax sale are typically low-income people who simply can't afford their property taxes without assistance. The average homeowner in tax sale is a low-income senior who has lived in their home for at least 15 years, with a household income of \$30,000 or less per year. A large number are African American women and/or those who have a disability.

This bill is designed to do three things, with two provisions related to the funding. First, there is a \$15 fee on each tax sale certificate. Second, SDAT will encourage people to make voluntary contributions on their website.

The third provision requires SDAT to include an insert in everyone's property tax bill that describes the benefits of the Homeowner Protection Program. This builds on the phenomenal Tax Sale Ombudsman at SDAT. The Ombudsman helps homeowners understand their property tax bill, learn about the Homeowner Projection Program, *and* find out about their possible eligibility for programs such as the Homeowners Property Tax Credit and the Maryland Homestead Tax Credit. Beyond that, homeowners learn about other public benefits and social services they may be eligible for. Above all, this provision increases the odds that eligible Marylanders learn about a beneficial state program.

Thank you for your attention to this important issue. I urge a favorable report on **House Bill 16**.  
Thank you.

**XHB16\_DHCD\_SUPPORT.pdf**

Uploaded by: Chuck Cook

Position: FAV



WES MOORE  
Governor  
ARUNA MILLER  
Lt. Governor  
JACOB R. DAY  
Secretary  
JULIA GLANZ  
Deputy Secretary

**DATE:** March 26, 2024  
**BILL NO.:** House Bill 16  
**TITLE:** Tax Sales – Homeowner Protection Program – Funding  
**COMMITTEE:** Senate Budget and Taxation Committee

### Letter of Support

#### **Description of Bill:**

House Bill 16 requires collectors of property taxes to include with property tax bills an insert describing the Maryland Homeowner Protection Program and encouraging taxpayers to make voluntary donations to the program and requires purchasers of tax sale certificates to pay a \$15 fee, which goes to the Homeowner Protection Fund, at the time of purchase.

#### **Background and Analysis:**

Maryland's Homeowner Protection Program assists eligible limited-income homeowners with payment of property tax liens on their residences, preventing loss through tax sale foreclosure. Priority enrollment in the program is given to seniors and those receiving disability benefits. The program, administered by the Department of Assessments and Taxation, is currently primarily funded by a combination of tax and interest payments made to SDAT by homeowners enrolled in the program and money appropriated in the state budget – by statute, \$750,000 per year through fiscal year 2025. Currently, the program anticipates full enrollment of about 75 homeowners in FY24, increasing to 125 in FY25, and, with the same funding, expects that number to remain about the same through FY28.

This bill's establishment of two new sources of funding for the Homeowner Protection Program would allow SDAT to expand the program to help more vulnerable Maryland homeowners in need of assistance, with no requirement of general fund expenditure. In 2022, just over 12,000 tax sale certificates were sold statewide. Collecting a \$15 fee dedicated to the Homeowner Protection Program for each of those certificates would result in an additional \$180,000 per year for the program, assuming the number of certificates sold remains the same. While it is not possible to predict what amount of funding would be received through voluntary donations, every dollar dedicated to this valuable program helps keep some of Maryland's most vulnerable homeowners in their homes.

#### **DHCD Position:**

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on House Bill 16.



**CDN FAVORABLE HB16.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**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



# **HB16 Homeowner Protection Program funding\_.pdf**

Uploaded by: Dan Ellis

Position: FAV



Neighborhood Housing Services of Baltimore, Inc.

March 25, 2024

Senator Guy Guzzone, chair  
Miller Senate Office Building  
3West  
Annapolis, Maryland 21401

**RE:** House Bill 16

Honorable Chair Guzzone and Members of the Committee:

I am the Chief Executive Officer of Neighborhood Housing Services of Baltimore (NHS), and a resident of Baltimore City. Our organization believes that economic and social justice are a right for all residents and communities. We promote this belief by removing barriers of access to homeownership, helping resident access resources to maintain their homes, and supporting communities historically impacted by systemic disinvestment.

Over the past ten years I have worked to advocate for changes to the tax sale system that support residents and communities. With support from this committee and the full legislature we have together made significant improvements to the tax sale system. While more change is needed, we can be proud of the work accomplished together. One of the significant supports now being provided to homeowners across Maryland is the homeowners protection program. This program has supported many families from across the state who have encountered hardship and need support. Unfortunately, resources limit the number of families who can be assisted each year. HB16 supports expanded funding to enable more families to be assisted by the state each year. Creating a voluntary fund for contributions allows state residents the opportunity to assist their neighbors. Additionally, HB 16 imposes a \$15 fee for each tax sale certificate sold. This fee will provide significant resources that can be used to support families in need. By creating ongoing funding, HB16 ensures the long term sustainability of the homeowner protection program.

HB16 provides critical support to homeowners in Maryland preventing the loss of homes to tax sale. We ask that the Committee issue a *favorable* report on HB16.

Sincerely,

A handwritten signature in black ink that reads "Daniel T. Ellis".

Daniel T. Ellis  
Executive Director



25 E. 20<sup>th</sup> Street, Suite 170 Baltimore, Maryland 21218  
Office: 410-327-1200  
Fax: 410-675-1855

[www.nhsbaltimore.org](http://www.nhsbaltimore.org)

# **CLC Written Testimony Senate HB 16 Tax Sales – Hom**

Uploaded by: Shana Roth-Gormley

Position: FAV



---

## 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

**HB0016-BT\_MACo\_SWA.pdf**

Uploaded by: Kevin Kinnally

Position: FWA



## House Bill 16

### *Tax Sales - Homeowner Protection Program - Funding*

MACo Position: **SUPPORT**  
**WITH AMENDMENTS**

To: Budget and Taxation Committee

Date: March 26, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 16 **WITH AMENDMENTS**. This bill increases awareness of and establishes a new funding source for the Homeowner Protection Program (HPP). The Program is one of the most effective tools to help homeowners facing tax sale, offering potential cost avoidance and providing help like payment assistance, foreclosure mediation, and other services. MACo seeks amendments to further bolster the program.

The tax sale process, or more specifically, the potential for a property to go to tax sale, presents a much-needed tool of last resort to ensure that property owners remit payment for their fair share of taxes and charges connected to public services. Of course, no jurisdiction wants to send any property to tax sale if it can be avoided.

HB 16 requires the state tax ombudsman to design and provide inserts describing and soliciting voluntary donations for the HPP for local governments to include in property tax invoices. In addition, the bill sets a nominal fee for each certificate purchased at tax sale to ensure the program can deliver on its mission.

MACo strongly prefers that homeowners receive all counseling, education, information, support, and additional assistance, when appropriate, to help them pay on time and avoid going through tax sale. To that end, MACo supported legislation to establish this program and sees this bill as a logical next step for safeguarding access to support services at the time when it is most helpful.

Under current law, the HPP receives \$75,000 in statutory funding for fiscal 2023 through fiscal 2025, in addition to a supplemental appropriation in fiscal 2023. According to the state tax ombudsman, the HPP anticipates full enrollment of approximately 75 homeowners in fiscal 2024, increasing to 125 in fiscal 2025.

Without a dedicated funding source, those numbers are expected to remain stagnant through fiscal 2028. As such, MACo urges the Committee to provide additional state support for the program to ensure more Marylanders can avoid the private tax lien process and instead access resources through the HPP.

Accordingly, MACo urges a **FAVORABLE WITH AMENDMENTS** report on HB 16.

# **HB 16 - Oppose - Senate.pdf**

Uploaded by: Ari Plaut

Position: UNF

March 25, 2024

The Honorable Guy Guzzone  
The Senate Budget and Tax Committee

**RE: HB 16 – Tax Sales – Homeowner Protection Program – Funding  
Position: OPPOSE**

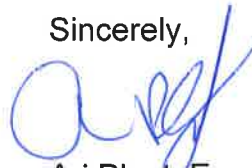
Dear Mr. Chairman and Members of the Senate Budget and Tax Committee,

We are writing in opposition to HB 16. This bill penalizes tax sale purchasers who are solely responsible for funding the coffers of the Counties and City on an annual basis to help cover lost revenue due to delinquent tax payers. By asking tax sale purchasers to contribute to a fund to help non-tax paying property owners benefit from not paying their taxes is not good policy.

Moreover, the fund is not necessary as there is legislation pending and existing law that removes properties from tax sale.

Therefore, we respectfully request that you not pass HB 16.

Sincerely,



Ari Plaut, Esq.  
On Behalf of  
Kenny Law Group, LLC and  
MD Tax Sale Participants  
Coalition



# **Opposition to HB 16.pdf**

Uploaded by: Heidi Kenny

Position: UNF



HEIDI S. KENNY(MD, DC, PA)  
JAMES KELLY-LIEB (MD)

OFFICE 410.415.7071  
FAX 410.415.7161  
WWW.KENNY-LAW.COM

March 25, 2024

The Honorable Guy Guzzone  
The Senate Budget and Tax Committee

RE: HB 16 – Tax Sales – Homeowner Protection Program – Funding  
Position: **OPPOSED**

Dear Mr. Chairman and Esteemed Members of the Senate Budget and Tax Committee:

I am writing in opposition to HB 16. This Bill is imposing a tax onto tax sale purchasers, who provide an annual mass influx of revenue to the Counties. Why would the State impose a penalty onto the tax sale purchasers when the County's purpose of an annual tax sale is to promote investment? The consequence of this Bill is to disincentive investment into the Counties. It will diminish investment. Without proceeds of sale, Counties will not be able to afford and pay for services that tax paying citizens require.

There are ample opportunities, funding sources and homeowner protections already available. In fact, an entire Homeowner Protection Program is provided in Tax Property §§14-883 et subseq. Moreover, there is current legislation introduced that would give Counties the right to remove homeowner occupied properties from tax sale. Such relief and protection is already being provided without penalizing investors.

**Thus, we respectfully request that you not pass HB 16.**

Sincerely,

  
Heidi S. Kenny