

## Testimony HB 777 BALTIMORE CITY - UNPAID WATER AND SEWER CHARGES - TAX SALES OF NON-OWNER-OCCUPIED RESIDENTIAL PROPERTY

House Ways & Means Committee
February 20, 2024
Position: FAVORABLE

Dear Chairperson Atterbeary and Members of the Ways and Means 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's housing counseling and legal service partners have shared with us errors by the State Department of Assessments and Taxation that have led to legacy residents being in danger of losing their homes to tax sale. We have heard that it is not uncommon for a person to be deceased and instead of removing the deceased party only from a deed, SDAT has removed both the deceased and the heir and thus the property shows up as being non-owner occupied. These errors sometimes take months to correct. It is very difficult for older adults to understand what is happening to them when in some cases they have resided in the property for decades. This kind of misclassification is not uncommon.

A recent publication by the National Consumer Law Center, <u>Keeping it in the Family: Legal Strategies</u> to Address the Challenge of Heirs Property and Prevent Home Loss (Jan 2024) may help to give further insight to the challenges

We understand that this legislation was aimed at vacants and slumlords but the high rate of misclassified property in Baltimore City gives us pause.

We urge your unfavorable report for HB 777.

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