



HB 721

Baltimore City - Tax Sales - Owner-Occupied Residential Property

Hearing before the House Ways and Means Committee

Feb. 20, 2024

POSITION: Favorable with Amendments

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 721 with amendments. The bill would allow Baltimore City to keep certain properties out of tax sale, giving the City collection authority the ability to determine when doing so would be in the best interest of the City as a whole. For the past few years, Mayor Scott has removed homeowners' properties from the tax sale. This has been an enormous relief to those residents, who can now work to get caught up on paying their taxes without having to deal with the complicated and labyrinthine tax sale system and the additional interest and fees that tax sale accrues to their properties. It ensures that these residents do not lose their homes in tax sale – or walk away from their properties, thinking them already lost. We have seen this happen in previous years' tax sales, and it leads to increased property vacancy and abandonment.

CLC 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. In CLC's work on tax sale, we have seen issues with properties being misclassified as non-owner-occupied even when the homeowner does actually reside at the property – often this is the result of a property that did not go through the probate process to properly pass it down to the original owners' heirs. 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.

HB 721 would ultimately give Baltimore City the power to determine how best to serve the City's interests, which include collecting tax revenue as well as protecting residents and preserving homeownership. CLC supports HB 721, with an amendment to remove the words "owner-occupied" on line 21 of page 1. Thank you for the opportunity to testify.

For the above reasons,

CLC urges a FAVORABLE VOTE WITH AMENDMENTS ON HB 721.

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.

ShanaR@communitylaw.org | 410-366-0922 x 118