



SB 724

Baltimore City - Tax Sales - Heir-Occupied Property and Registry

Hearing before the Senate Budget and Taxation Committee

Feb. 25, 2025

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 SB 724 with amendments to expand protections for property heirs in tax sale. We support expanding protections currently only available to homeowner occupants listed on the deed of their properties to the heirs of property owners who have not yet gone through the process to be listed on the deed. Protecting these heirs from losing their properties in tax sale will keep families in their homes, preserve generational wealth, and prevent properties from becoming vacant. Homeowner and tax sale reform advocacy organizations Fight Blight Bmore and the SOS Fund have already identified more than 7,700 heirs properties which could be positively impacted by this legislation.

We urge the adoption of the following amendments to the bill:

- In section 14–811(b)(2) (pg. 2, line 19), increase the lien threshold from \$750 to \$1,000;
- In section 14–811(h)(2)(II) (pg. 3, lines 1-5), allow homeowners or heirs of deceased owners who are low income, at least 65 years old, or disabled to be removed from tax sale by the Baltimore City Tax Sale Ombudsman;
- Add language requiring the tax collector to remove a property from tax sale if the Tax Sale Ombudsman finds that the property is misclassified; there is a billing error in the property tax record; there was a problem with billing notifications; or a payment was made and applied to the wrong account, address, or tax year; and
- Add language requiring the tax collector to transfer payments made on subsequent years' property taxes to outstanding tax liens if the lien purchaser attempts to foreclose on the owner's right to redeem.

SB 724 would provide needed protections to heirs to ensure that family homes and generational wealth stays in families. We urge the adoption of the amendments listed above to more fully protect property heirs and to ensure that mistakes in tax records do not result in the loss of family properties. Thank you for the opportunity to testify.

For the above reasons,

CLC urges a FAVORABLE WITH AMENDMENTS VOTE ON SB 724.

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

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