

SB192: Property Tax – Tax Sales – Revisions
Hearing before
Senate Budget and Taxation Committee
Position: SUPPORT



Shore Legal Access (formerly Mid-Shore Pro Bono) **supports SB 192**. The bill would raise the threshold for properties eligible for tax sale and prevent tax sale of properties with a lien consisting only of unpaid water or utility charges. SB192 provides much needed reforms that will enable more homeowners to stay in their homes, and foreclosure.

Shore Legal Access (SLA) connects people on the Eastern Shore with limited financial means to legal representation and essential community resources. Each year, SLA helps over 3,800 people in our community access the legal system when they would otherwise be shut out. Our small legal team and network of volunteer lawyers provide free legal services for eviction prevention, criminal record expungement, life and estate planning, family law, foreclosure, and consumer debt. These services help families gain financial and housing stability and create safe, secure homes for children.

Shore Legal Access provides legal representation for people with limited financial means facing tax foreclosure. In the majority of these cases, the homeowners owe a relatively small amount of money but are so financially strapped, they cannot come up with the amount needed to get their homes out of foreclosure. In one recent case, an eighty-year old woman fell behind on her property taxes after her spouse passed away and she struggled to keep up with their bills, even though she owned the house outright and had lived there for more than 50 years. The problem snowballed and she needed to come up with over \$1,800 to get her home out of tax foreclosure. The original amount owed was much smaller, but fees and charges continued to pile on. What started out as a relatively small shortfall grew into a serious problem that could have led this client into foreclosure and ultimately homelessness. Our experience is that homeowners want to be able to pay their property tax and are eager to work out a repayment plan, and that small amounts owed quickly build into increasingly unattainable amounts making it even harder for homeowners to exercise redemption.

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The recent Annual State Tax Sale Ombudsman Report (MSAR #13843) dated November 1, 2024, provides a chart showing the minimum threshold amount for unpaid taxes from the 2023 tax sale. The following 8 Eastern Shore counties were listed:

Caroline	\$750 if owner occupied, \$250 if non-owner occupied or any amount 1 year delinquent
Dorchester	\$0
Kent	\$250
Queen Anne's	\$25
Somerset	\$250 or 5 years delinquent
Talbot	\$50
Wicomico	\$250
Worcester	\$200

SB192 would raise the threshold for tax foreclosure, thereby giving people with relatively small amounts of taxes owed a greater opportunity to get their taxes on track and avoid losing their homes. The bill would also exclude from tax sale properties where the only lien is for water or utility charges. Shore Legal Access urges the Committee's SUPPORT for this bill. Please don't hesitate to contact Meredith Girard (mgirard@shorelegal.org) with any questions or additional information about this important issue.

