



**SB 0192 Property Tax – Tax Sales - Revisions
Budget and Taxation Committee Hearing, January 22, 2025**

Position: FAVORABLE

To the Honorable Members of the Budget and Taxation Committee:

Community Legal Services submits this testimony in support of SB0192. This legislation proposes essential modifications to the tax sale process for owner-occupied residential properties in Maryland, aiming to enhance protections for homeowners and promote housing and economic stability across the state.

Community Legal Services (CLS) is a nonprofit organization that provides free legal services in a broad range of substantive areas to individuals and families who meet certain income-eligibility restrictions. Our organization is committed to the promotion of family and community stability and success through provision of quality legal representation for those who would not otherwise have equitable access to access to justice and due process. Preventing unnecessary tax sales of residential properties is a critical step toward preserving economic stability for families and promotes the growth of intergenerational wealth for Maryland residents.

Owner-occupied residential properties represent only a small fraction of all properties that go to tax sale, but owners whose properties go to tax sale are disproportionately Black; they are often elderly and/or disabled and live on fixed incomes. Under existing Maryland law, a nominal outstanding lien can result in a tax sale of owner-occupied residential. Once a tax sale occurs, a small lien can quickly grow into an insurmountable debt due to the addition of interest, costs, and fees allowed under current law. These extra costs, coupled with the relatively short period of time permitted for the homeowner to come up with the amount due, make redemption an impossibility for many homeowners who have experienced a tax sale. Redemption is particularly out of reach for those who are most financially vulnerable. Not only does this result in loss of housing for our most vulnerable residents, but it also results in substantial loss of wealth that could have been passed on to the homeowners' family members. The provisions of Senate Bill 0192 address these issues.

Key provisions of SB0192 include **increasing the tax sale eligibility threshold, extending the redemption period, and enhancing notification requirements.** By increasing the tax sale eligibility threshold and extending the redemption period, SB0192 offers greater protection to homeowners, particularly those on fixed incomes or facing temporary financial hardships, thereby reducing the risk of unnecessary foreclosures. Additionally, by including provisions that would assist heirs of property owners to access financial resources they do not have access to under current law, SB0192 improves the opportunity for families to preserve wealth accumulated as a result of their predecessors' homeownership.

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The proposed changes to the tax sale process will help maintain community stability by preventing displacement due to tax sales over minor delinquencies, supporting the overall well-being of Maryland's neighborhoods. Finally, enhanced notification requirements will ensure that homeowners are fully aware of the circumstances they face and the available resources, empowering them to take timely action to protect their homes or inheritances.

Senate Bill 0192 represents a thoughtful and necessary reform to Maryland's tax sale process for owner-occupied residential properties. By adopting these revisions, the state will take significant steps toward promoting equity in our State by safeguarding homeownership, promoting housing stability and the maintenance of intergenerational wealth, and fostering stronger communities.

For these reasons, Community Legal Services urges this committee to submit a favorable report on SB0192. Please feel free to reach out to Jessica Quincosa, Executive Director, and Lisa Sarro, Director of Litigation and Advocacy, with any questions at quincosa@clspgc.org and sarro@clspgc.org, respectively.