



**Testimony**  
**SENATE BILL 724**  
**BUDGET and TAXATION COMMITTEE**  
**February 25, 2025**  
**Position: FAVORABLE**

Dear Chairman Guzzone and Members of the Budget and Taxation 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 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 served on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

SB 724 – Authorizes the tax collector in Baltimore City to withhold property occupied by an heir of a deceased owner of the property from tax sale and requires that a registry be established for heirs.

We hope you will consider the following amendments to the bill:

- **Change Pg 1, lines 17-19** to say: In Baltimore City, the tax collector must not sell a property at tax sale if the total amount of taxes, interest, and penalties is less than \$1,000. This change aligns the bill with HB59/SB192.
- **Change Pg 2, lines 2-5** to say: In Baltimore City, the tax collector may choose not to sell a home if it is owned by a homeowner or occupied by an heir of a deceased homeowner who is low-income, at least 65 years old, or disabled—if the City Tax Sale Ombudsman requests it. Removing extra eligibility requirements ensures protection reaches those who need it. Giving the Ombudsman the authority to make the request also reduces the burden on homeowners and aligns with the Ombudsman's role.
- 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.

- Add language requiring the tax collector to remove a property from tax sale if the Tax Sale Ombudsman finds:
  - The property is misclassified
  - There is a billing error in the property tax record
  - There was a problem with billing notifications
  - A payment was made and applied to the wrong account, address, or tax year.

Heirs property” describes a form of property ownership that arises when several heirs inherit a home but have not completed the probate process to clarify title. Over successive generations of unclear title, this can lead to dozens of heirs with an increasingly fractional ownership interest in a home. Without a registered deed or legal proof of ownership, heirs property owners are limited in their ability to manage their home.

Heir’s property is disproportionately experienced in communities of color. Due to both historical abuses and present-day lack of access to the legal system, Black Americans are significantly less likely than their white counterparts to have a will. Consequently, some studies estimate that more than half the real property owned by Black Americans is owned as heirs property.

Heir’s property status threatens both the physical and financial security of families. Unable to prove legal title, heir’s property owners are often excluded from property tax relief programs, potentially increasing their tax bill by thousands of dollars. In Maryland, unclear title bars heir’s property owners from receiving assistance like the Homeowner Assistance Funds as well as home repair grants and loans. This form of property ownership therefore renders residents housing-insecure, threatening them with displacement and their neighborhoods with blight. Protecting heir’s property owners from losing their homes, while also increasing avenues for families to obtain clear title, is an essential aspect of the fight to increase housing and economic security, protect marginalized communities, and reduce the racial wealth gap.

We urge your favorable report for SB 724.

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