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MAYOR

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SB724

February 25, 2025

TO: Members of the Budget and Taxation Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: Senate Bill 724 - Baltimore City - Tax Sales - Heir-Occupied Property and Registry

POSITION: **Support**

Chair Guzzone, Vice Chair Rosapepe and members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 724.

SB 724 would require Baltimore City to establish a registry for interested parties to designate property to be withheld from tax sale under certain provisions of law.

The Baltimore City Department of Housing and Community Development (DHCD) currently work in collaboration with our non-profit pro bono attorney partners to assist persons with establishing a pathway to title, through programs such as the *My Deed, My Legacy Program*. Ensuring that residents are the legal owner of a home, and on the deed, is a key piece to being eligible for tax credits and home repair programs. The home is also a source of generational wealth for many families and ensuring legal title to a property protects this wealth. Even when someone is receiving free legal support, it can be a long process. The outcome is often that the lien gets sold, redemption is very expensive and the time to redeem is short. In the end some families are never able to redeem the property themselves.

While it may be difficult creating and keeping a registry, it is a program worth exploring in order to create sustainable and healthy communities, and to build generational wealth. At this time, BCA cannot easily identify the properties this legislation would apply to, or the potential fiscal impact. The objective criteria established by the Mayor and City Council will have a determining impact on the cost of administration of the Registry. The criterion would need to be targeted and coordinated in conjunction with SDAT. There may be a need to set up a sustainable criterion for limiting the time a residential property occupied by an heir of a deceased owner property can be withheld from tax sale, and to require transfer of title within a certain period after inherited, among other situations, to be considered by the Baltimore City Council in the establishment of appropriate criteria.

The BCA will work with DHCD, the Baltimore City Department of Finance, and the State Department of Assessments and Taxation in creating and maintaining the registry.

This bill helps keep properties out of tax sale where a relative is living in the property and the legal owner is deceased and can be used as an equity tool in our vacant reduction strategy ensuring generational wealth.

For these reasons, the BCA respectfully request a **favorable** report on SB 724.