

Written Testimony SB 192 - Tax Sale Revisions.pdf

Uploaded by: Allison Harris

Position: FAV



HB 59/SB 192
PROPERTY TAX— TAX SALES – REVISIONS
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE
January 22, 2025
POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics to over 6,200 clients annually. **PBRC supports HB 59/SB 192 as it is currently drafted, in its original form, because it would extend protections against tax sale for overdue water bills to all residential properties in Maryland. Protecting all residential properties helps to ensure that those who have lived in their homes the longest and are the most vulnerable keep their homes. We would oppose any effort to amend this bill to narrow the withholding of properties from tax sale to “owner-occupied” residential properties for crucial reasons around misclassifications of properties.**

PBRC was at the forefront of advocating for important tax sale legislation that passed in 2019 to remove all residential properties from eligibility to be included in the Baltimore tax sale auction if the only delinquency was water bills, and the property had no delinquent property taxes. The choice to change the law years ago to “residential” property rather than “owner occupied” was a deliberate one: **we know that “owner-occupied residential property,” does not include all the properties at risk of tax sale for several reasons.** One reason is due to the “tangled title” or “heirs property” issue, which is when a home gets its principal residence status changed to non-principal residence status upon receipt by the State Department of Assessments and Taxation that the person on the title is deceased but yet the home remains occupied by the heirs. This is one way among others that misclassification has happened and can happen. Further, the Baltimore City deed transfer officer for years failed to provide any such classification to the State Department of Assessments and Taxation, which resulted in homes defaulting to non-owner occupied. For these reasons, we know that the City and the State’s databases contain errors in principal residence, or “owner occupied,” classification. Therefore, we are aware that there are homeowners who live in those homes and whose families have owned those homes who then will end up in tax sale because of this misclassification.

As a provider of direct legal services to homeowners in Maryland for years, our experience dictates that **you cannot cleanly carve out homeowners or actual owner-occupied properties for any purpose. The SDAT database contains too many errors as to which homes are actually owner occupied or not.** Furthermore, renters who have no control over the payment of their water bills could lose their housing if the bill were to be amended to limit water bill protections owner-occupied properties.

PBRC supports HB 59/SB 192 in its current (original) form, which will protect certain Marylanders from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth while stabilizing communities. Thank you for the opportunity to testify.

PBRC urges a FAVORABLE report on HB 59/SB 192, as originally drafted.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.
aharris@probonomd.org • 443-703-3050

CDN SB 192 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony
SENATE BILL 192
BUDGET and TAXATION COMMITTEE
January 22, 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 currently serves on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

SB 192- Increases the tax sale delinquency threshold to \$1,000 for all owner-occupied properties in the state; removes water and sewer bill liens only from eligibility for tax sale statewide; authorizes statewide withholding from tax sale property designated for redevelopment purposes; voids statewide the sale of abandoned property that is sold for less than the lien amount if action is not brought in 3 months; fixing the rate of redemption at 6% for owner-occupied properties sold at tax sale and capping it at 10% for other properties; prohibiting taxes, interest, and penalties accruing after the date of a tax sale from being included in the required redemption payment and requires the lien purchaser of an owner-occupied property subject to tax sale to send written notice of the proceeding to the State Tax Sale Ombudsman; Requiring all municipalities that conduct a tax sale to have a payment plan process.

When homeowners have missed several tax payments, the outstanding balance can quickly grow due to penalties and interest. For homeowners whose medical and financial situation may be unstable, it may be impossible for them to avoid tax default and make a lump-sum payment of the outstanding balance. Just as mortgage servicers have seen the benefits of forbearance and loss mitigation programs, requiring local government tax collectors to enter into payment

plans, both pre-sale to avoid the sale or post-sale to repay the redemption amount could help many older adults remain in their homes. While there are administrative costs to servicing such plans, and pre-sale payment plans can delay receipt of tax revenue to the local government, these costs in most cases are offset by the interest that continues to be paid by the property owner during the repayment period and the avoidance of tax sale related administrative costs. In addition, by making arrangements for homeowners to pay their taxes and save their homes, municipalities likely avoid substantial indirect expenses by avoiding neighborhood blight caused by vacant homes and by reducing the demand for emergency services.

The tax lien sales make it more likely a homeowner will suffer a devastating loss of home equity. In Maryland, the property is sold only for the amount of back taxes owed. A tax lien sale may be started over nonpayment of a tax bill of only a few hundred or thousand dollars. Thus, a \$200,000 home may be sold at a tax lien sale for \$2,200. These bidding procedures mean that homeowners may lose not only a homestead but also thousands or even hundreds of thousands of dollars in equity. This equity may be their sole savings and generational wealth.

We are strongly against amendments that remove housing protections in Baltimore City by reauthorizing the tax sale to collect water debt for residential properties that do not have official designation as “owner occupied.” This means that renters, misclassified homes, and tangled title homes could end up in tax sale foreclosure and evictions due to overdue water bills as little as \$350.

More than 3,000 homes in Baltimore City alone have tangled titles, many others are misclassified, and many are family-owned homes — all would face tax sale foreclosure over water bills. The state’s database designating homes as owner-occupied contain errors. A person could inherit their home from a family member and not have the legal title to the property, making it more likely the home will default to a non-owner-occupied designation. Heirs properties are a problem throughout the state, impacting rural and urban communities alike, disproportionately affecting low income Black communities.

We urge your favorable report for SB 192.

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

SB0192 Written Testimony.pdf

Uploaded by: Courtland Merkel

Position: FAV



JUSTICE FOR ALL

MARYLAND SENATE BUDGET AND TAXATION COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF SB 0192: PROPERTY TAX – TAX SALES– REVISIONS
WEDNESDAY, JANUARY 22, 2025

Susan Francis
EXECUTIVE DIRECTOR

BOARD OF DIRECTORS

David G. Sommer
PRESIDENT

Penny J. Minna
VICE PRESIDENT

James Tansey
TREASURER

Reba Letsa
SECRETARY

Payal Amin
Tyree Ayers
Shereefat O. Balogun
Brent A. Bolea
Jhonell Campbell
Richard L. Costella
Susan DuMont
Brian Gordon
Nicole M. Lacoste Folks
Lydia E. Lawless
Robin Leone
Anthony May
Michelle McGeogh
Chelsea Ortega
Lelia F. Parker
Angela Russell
Rebecca Sheppard
Syma Ahmad Siddiqui
Sheila J. Stewart
D'Sean Williams-Brown
Emily J. Wilson

Chair Guzzone and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 0192.

My name is Courtland Merkel and I am the Consumer and Housing Staff Attorney at Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters.

In FY24, MVLS volunteers and staff lawyers provided legal services to 2,950 people across the state. As part of our tax sale foreclosure work, we see hundreds of clients at risk of losing their housing due to unpaid property taxes. For the reasons explained below, we respectfully request a favorable report on Senate Bill 0192 as it is currently drafted. It is imperative that any efforts to amend this bill to narrow portions of the bill to apply to "owner-occupied" residential properties be resisted to ensure that individuals with misclassified properties are not put at risk of losing their homes.

MVLS represents clients who face losing their homes due to unpaid property taxes or citations. Unpaid property taxes often affect the poorest homeowners in the most distressed neighborhoods and the resulting tax sales contribute to vacant and abandoned properties all over the state. Tax sales have a disproportionate effect on Black homeowners and communities of color. In 2013, MVLS and other nonprofit organizations came together to form the Tax Sale Workgroup. Our goal was to protect communities and homeowners, especially people with lower incomes and the elderly, who face the most devastating effects of the tax sale process. Since 2014, MVLS has maintained a partnership with the Pro Bono Resource Center of Maryland to conduct annual tax sale clinics aimed at helping homeowners avoid tax sale. In

the past four years, volunteers have assisted over 350 people at these workshops.

We have collected demographics from past Baltimore City tax sale clinics, that show 72% of clients are seniors, 48% were disabled, 85% identified as Black, and 72% reported a household income of \$30,000 or less per year. Many of these clients survive on fixed incomes and struggle to pay their bills even before a tax sale happens. The majority of these homeowners live in multigenerational households where they provide shelter and support for their children and grandchildren.

One such client was Ms. M., an 84-year-old woman, whose daughter lives with her. Their combined income is approximately \$31,000 per year. After some unexpectedly high bills, she found herself in tax sale. She then reached out to MVLS for help. We placed her with one of our volunteer lawyers, who assisted her in applying for the Homeowners' Property Tax Credit, which reduced the amount she owed by several hundred dollars. Because she is older than 70, she was also able to receive the Homeowners' Tax Credit for the previous three years, resulting in nearly \$2000 in tax savings. She was able to redeem her property and save her home.

The Bill's proposed revisions would directly help homeowners like Ms. M who had between \$750 and \$1000 in property taxes or citations, or a combination of both, are at risk of losing their home to tax sale. This bill will expand Baltimore City's tax sale threshold for homeowners throughout the State. The revision will prevent the sale of a property for property taxes or citations, or a combination of less than \$1000. By the time someone comes to MVLS at risk of tax sale, it is often very difficult to come up with the lump sum they would need to keep their property out of tax sale or redeem it. For homeowners statewide this would be groundbreaking relief and help prevent the erosion of communities through tax sale.

Further, the proposed bill would directly limit the interest rate to redeem to 10% a year for owner-occupied residential property statewide. This limitation would prevent the fees associated with redemption from becoming uncontrollable like with Ms. M and provide an opportunity for people like her to redeem their homes.

MVLS has been fighting to even the playing field for low-income Marylanders for decades, and we know that poor Marylanders are most often forced to face tax sale without an advocate. This imbalance of

power makes it more likely that our clients will continue to struggle to get out of tax sale. We support the original (current) form of Senate Bill 0192 because it would provide the entire State with a commonsense tax sale threshold and limit the rate of redemption of homeowners trying to reclaim their homes.

Chair and members of the Committee, thank you again for the opportunity to testify.

SB192 Tax Sale Revisions Statewide.pdf

Uploaded by: Dan Ellis

Position: FAV



Neighborhood Housing Services of Baltimore, Inc.

January 20, 2025

Senator Guy Guzzone, Chair
Miller Senate Office Building
3 West
Annapolis, Maryland 21401

RE: Senate Bill 192

Honorable Chair Guzzone and Members of the Committee:

I am the Chief Executive Officer of Neighborhood Housing Services of Baltimore (NHS), and a resident of Baltimore City. Our organization believes that economic and social justice are a right for all residents and communities. We promote this belief by removing barriers of access to homeownership, helping resident access resources to maintain their homes, and supporting communities historically impacted by systemic disinvestment.

Over the past twelve years I have worked to advocate for changes to the tax sale system that support residents and communities. With support from this committee and the full legislature we have together made improvements to the tax sale system. While more change is needed, we can be proud of the work accomplished together. Many of the changes that have been made have been limited only to Baltimore City. These include raising the threshold for owner occupied properties to be included in tax sale, increasing the amount of time for filings on owner occupied properties which provides additional time before significant fees begin to be imposed for legal work on the property, and removing water bills from tax sale. SB192 addresses many of these critical issues. The bill establishes a statewide minimum for inclusion of owner occupied properties of \$1,000. Raising this threshold significantly impacts many lower income households. The year after the threshold was raised from \$250-750 about 10 years ago in Baltimore City about 2,500 homeowners were not included in tax sale. This impact will be further expanded by raising the threshold to \$1,000 and expanded across the state. The bill also establishes the redemption rate for owner occupied properties at 6%. This will further support Maryland families by lowering the cost of redemption. The bill also extends to 10 months when the foreclosure process can begin for owner occupied properties. This time allows owners the opportunity to redeem the property.

Last year there was an amendment to the bill to include all water bills in tax sale. In 2019, water bills were removed from tax sale in Baltimore City for all residential properties. The amendment would have removed the protections provided by the General Assembly to protect residential



25 E. 20th Street, Suite 170 Baltimore, Maryland 21218
Office: 410-327-1200
Fax: 410-675-1855
www.nhsbaltimore.org



Neighborhood Housing Services of Baltimore, Inc.

property owners from tax sale for water bills. It is critical these protections remain in place for residents of Baltimore City and be expanded to the rest of the state. SB192 establishes these protections for the entire state. It is critical that the General Assembly reject any attempts to remove these protections from residents of Baltimore City and support expansion of these protections for the entire state.

SB192 includes many important protections for property owners within the tax sale system. We ask that the Committee issue a *favorable* report on SB192 and reject any attempts to amend the bill.

Sincerely,

Daniel T. Ellis
Chief Executive Officer



25 E. 20th Street, Suite 170 Baltimore, Maryland 21218
Office: 410-327-1200
Fax: 410-675-1855
www.nhsbaltimore.org

SB0192_BT_SUPP.docx.pdf

Uploaded by: Daniel Phillips

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



DANIEL K. PHILLIPS
Director

ROBERT YEAGER
Deputy Director

HEARING DATE: January 22, 2025

BILL: SB0192

TITLE: Property Tax - Tax Sales - Revisions

SDAT POSITION: SUPPORT

The Department of Assessments and Taxation Supports SB0192 - Property Tax - Tax Sales - Revisions. This legislation would achieve several critical equity goals, including:

- Raising the total amount of tax and delinquent fees that may be owed on owner-occupied properties withheld from tax sale from \$750 to \$1,000.
- Withholding, from tax sale, any liens on certain properties resulting from water and sewer fee delinquencies.
- Including the Tax Sale Ombudsman to the list of recipients of the notification of action to foreclose a right of redemption for owner-occupied properties
- Requiring each county and Baltimore City to maintain a record of tax sale information for at least three years following the date of tax sale

The General Assembly established the Office of the Tax Sale Ombudsman with a critical goal in mind: keeping Maryland's most vulnerable homeowners in their homes.

While owner-occupied residential properties represent a small portion of properties that go to tax sale, the impact on homeowners can be drastic. In some cases, homeowners, particularly those who are elderly or those with disabilities, are unaware of delinquencies in tax payments or utility fees altogether and enter tax sale before having an opportunity to rectify the situation. As a result, some homeowners pay up to 20% more than they

would have in taxes and fees had they been aware that they were delinquent on payments. During calendar year 2022, thousands of owner-occupied properties were sold at tax sale.

It is for this reason the General Assembly established the Homeowner's Protection Program, a widely celebrated program in which the Department pays delinquent taxes and fees to local governments and private lien holders to take homeowners out of tax sale. The Department then provides the homeowner with a loan repayment plan and works closely with them to identify tax credits and other state resources to build a sustainable financial future.

Senate Bill 192 builds on existing protections for homeowners at risk of entering or who are in tax sale for delinquencies on water and sewer fees, and generally for homeowners at risk of entering tax sale foreclosure. This bill provides an elegant solution to target homeowners who are struggling to meet their basic needs without imposing a fiscal burden on local governments.

Accordingly, the Department respectfully requests a **FAVORABLE** report.

SB192_DHCD_SUPPORT.pdf

Uploaded by: Jake Day

Position: FAV

DATE: January 22, 2025

BILL NO.: Senate Bill 192

TITLE: Property Tax – Tax Sales - Revisions

COMMITTEE: Senate Budget and Taxation Committee

Letter of Support

Description of Bill:

Senate Bill 192 extends a number of Baltimore City protections for homeowners facing tax sale statewide, including:

- Allowing a tax collector to withhold from sale any residential property with less than \$750 total taxes owed;
- Requiring tax collectors to withhold from sale any owner-occupied residential property with less than \$1000 total taxes owed, or that only owes water and sewer charges;
- Prohibiting jurisdictions from selling liens consisting solely of a water and sewer bill of less than \$350 or is less than 3 quarters in arrears;
- Excluding taxes accrued post-sale on owner-occupied property from the required redemption payment;
- Extending the time period before a purchaser of a tax lien can foreclose on owner-occupied residential property from 6 to 9 months;
- Allowing local jurisdictions to sell abandoned or vacant properties for less than the taxes owed and, unless the purchaser forecloses within 3 months, to foreclose on the property or resell the certificate of sale; and
- Enables local jurisdictions to withhold from sale any property designated for “redevelopment purposes” based on objective criteria.

The bill also limits the redemption interest rate for owner-occupied residential properties to 10% and expands the definition of “homeowner” to allow heirs of deceased property owners to receive assistance through the Homeowners’ Protection Program to avoid tax sale while working to obtain clear title.

Background and Analysis:

The modifications to tax sale procedures in Senate Bill 192 are aimed at protecting residential property owners at risk of losing their homes to tax sale foreclosure. Owner-occupied residential properties represent only a small fraction of all properties that go to tax sale, but their owners are disproportionately Black, are often elderly and/or disabled, and live on low and/or fixed incomes. Under current Maryland law, the cost to redeem a property that has gone to tax sale can easily rise into the thousands of dollars. Extending the amount of time before a foreclosure action can be filed, capping interest rates (which in some jurisdictions are currently as high as 20%), and freezing the amount owed at the time of tax sale, will help protect some of Maryland’s most vulnerable homeowners and prevent their displacement. Extending these protections to homeowners across the state ensures that low-income, minority populations are better protected from predatory speculators and are better able to repay the tax debt that they owe and remain in their homes. Allowing heirs of deceased homeowners to participate in the Homeowners’ Protection Program will also help prevent families’ primary asset from being lost to tax sale because of lack of clear title. We recognize that property taxes are an important source of revenue for local governments, and this legislation does not target that revenue stream. It offers additional protection for vulnerable homeowners without a significant impact to those governments.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 192.

2025FoodandWaterWatch-SupportSB192.pdf

Uploaded by: Jorge Aguilar

Position: FAV



1616 P Street, NW
Suite 300
Washington, DC 20036
T +202.683.2500
F +202.683.2501
foodandwaterwatch.org

SB0192 - Property Tax - Tax Sales – Revisions

January 22, 2025

Budget and Taxation Committee

Position: SUPPORT

On behalf of Food & Water Watch and our 44,000 supporters in Maryland, we support SB 192 as introduced and request that you issue a ***favorable*** report to protect all homes, including renters and households without homeownership status, from tax sales over water bills.

SB 192 would stop the harmful practice of selling homes including renter-occupied and other non-homeowner-occupied residential property, at tax sale to collect unpaid water and sewer bills. The legislation would expand important protections that already exist in Baltimore City to the entire state. The General Assembly passed the Water Taxpayer Protection Act unanimously in 2019 to protect all Baltimore residents and places of worship in the city from tax sale due to unpaid and unaffordable water bills. It is time to extend those protections to the rest of Maryland's residents.

Many water systems never use tax sales to collect unpaid water bills. For example, Maryland's largest water system, the Washington Suburban Sanitary Commission, cannot use tax sale to collect unpaid water bills. However, currently, 15 counties include water and sewer bills in tax sale. The tax sale process can lead to foreclosure and eviction for affected residents. Many renters are often not responsible for directly paying their water bill, and despite being up to date on their rent, they could lose their housing through this process with little legal recourse.

Again, we strongly support this legislation and urge you to issue a ***favorable report*** on a clean SB 192. No one, regardless of homeownership status, should lose their home over water bills.

Sincerely,

Jorge Aguilar
Southern Region Director
Food & Water Watch

SB192 Ramos Testimony B and T 1.25.pdf

Uploaded by: Krystal Paulino

Position: FAV



Odette Ramos

Baltimore City Councilwoman

District 14

(410) 396 - 4814

odette.amos@baltimorecity.gov

100 N. Holliday Street, Room 553

Baltimore MD 21202

**SB192 – Property Taxes- Tax Sales - Revisions
January 22, 2025
FAVORABLE**

Honorable Chair Guzzone and Members of the Senate Budget and Taxation Committee:

I am writing to urge your support for **SB192 Property Taxes – Tax Sales – Revisions**. Thank you to the Maryland Department of Housing and Community Development for introducing this bill.

SB192 extends the protections against the harmful impacts of Maryland’s tax sale system that many of us fought so hard for Baltimore City to the rest of the state. We have seen results where there is less stress on an elder, communities thrive, and residents can get assistance to help pay the liens or get the Homeowner’s Property Tax Credit to reduce the debt.

Specifically, this bill calls for residential properties with only a water bill debt to be removed from tax sale. Water is a right, and residents should not be losing their homes or threatened by predatory investors just because they cannot pay their bill. This also means that if there are water bills, citations, and taxes, that these bills are all added together and still can go through tax sale, or in the case of vacant properties, go through In Rem tax sale foreclosure as an acquisition tool.

The Fiscal Note attaches large losses to jurisdictions to this policy. However, through a lot of work in the past several years, jurisdictions are allowed to create payment plans, affordability plans, and alternative means of collections. The Fiscal Note does not mention this nor takes this into account when calculating the losses. We are not saying that jurisdictions can’t collect, it means they have to find ways to work with residents who are behind in only their water bill.

Other aspects of the bill include raising the threshold for homeowners to be removed from tax sale from \$750 to \$1,000 meaning that any properties with liens below that amount will not be in the tax sale. It also reduces the allowable interest on redemption to 10% for owner-occupied properties.

This bill does not reform the predatory tax sale itself. This is one of the first steps at protecting residents.

Please issue a favorable report for SB192.

Please do not hesitate to contact me should you have any questions. I can be reached on 410-396-4814 or via email at odette.amos@baltimorecity.gov.

Respectfully Submitted:

Odette Ramos, Baltimore City Councilwoman, District 14

CLS Support for SB0192.pdf

Uploaded by: Lisa Sarro

Position: FAV



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.

Jessica A. Quincosa, Esq.
Executive Director

Kayla Williams-Campbell, Esq.
Deputy Director

Lisa Sarro, Esq.
**Director of Litigation
and Advocacy**

Jordan Colquitt
Interim Development Director

Ivy Finkinstadt, Esq.
Managing Attorney

Warren Buff, Esq.
Kathleen Hughes, Esq.
Amy B. Siegel, Esq.
Supervising Attorneys

Attorneys

Adebola Adedoyin, Esq.
Vanessa Agbar, Esq.
Golnaz Alemousavi, Esq.
Jennifer Clark, Esq.
Katherine Cooke-Caraway, Esq.
Sheree Hughes, Esq.
Lekwon Imoke, Esq.
Deborah Kadiri, Esq.
John Kowalko, Esq.
Eric Orr, Esq.
Hina Rodriguez, Esq.
Peter Spann, Esq.
Jawaid Stationwala, Esq.
Tangi Turner, Esq.
Riana Yaman, Esq.

Staff

Claudia V. Aguirre
Ashley Cartagena
Franklin Escobar
Elmer Espinoza
Stephanie Espinoza
Anna Goldfaden
Maria Teresa Herren
Flor Lemus
Allison Nardick
Stacey Palmer
Micaela Ramos
Abel Reyes
Glenda Soto
Alejandra Sorto
Samir Vasquez Romero
Karen Zayas

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.

SB 192 Tax Sale Foreclosure FAV.pdf

Uploaded by: Matt Hill

Position: FAV



C. Matthew Hill
Public Justice Center
201 North Charles Street, Suite 1200
Baltimore, Maryland 21201
410-625-9409
hillm@publicjustice.org

SB 192: Property Tax – Tax Sale -- Revisions

Senate Budget and Taxation Committee Hearing, January 22, 2025

Position: FAVORABLE

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their right to safe, habitable, affordable, and non-discriminatory housing and their right to fair and equal treatment by Maryland's landlord-tenant laws, courts, and agencies. The PJC advocates for systemic change to build a just society and remove barriers that impede economic and racial equity.

PJC supports SB 192 and urges the Committee to move favorable. Rather than repeat the testimony of other supporters, PJC will highlight one aspect of the bill that is particularly important for renters: Namely, SB 192 will require that the tax sale purchaser provide any occupants, including renters, at least 90 days' notice of a pending eviction. Current law only provides for 30 days' notice. This is insufficient because this is often the only notice that renters may receive that a tax sale foreclosure is complete, the right to redeem is foreclosed, and eviction is imminent. Prior to this notice, renters may be aware that a tax sale is pending, but the owner could always redeem the property prior to foreclosure of the right to redeem. Accordingly, providing renters at least 90 days' notice that they must move, especially when finding replacement affordable housing is extremely challenging, will further housing stability for Maryland's renting families.

Maryland law currently provides renters in mortgage foreclosures with at least 90 days' notice. SB 192 provides for parity for renters in the tax sale foreclosure process.

Additionally, SB 192 changes the method for delivery of the 90-day notice to first-class mail with certificate of mailing, which is much more likely to be received by the renting family than certified mail in our experience.

Public Justice Center urges you to **move favorable on SB 192**. If you have any questions, please contact Matt Hill, hillm@publicjustice.org (410) 625-9409 Ext. 229.

SB192_ShoreLegalAccess_SUPPORT.pdf

Uploaded by: Meredith Girard

Position: FAV

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.

BOARD OF DIRECTORS

Timothy Abeska, Esq.
Tanisha Armstrong
Arlette Bright, Esq.
Holland Brownley, Esq.
Rebecca Burner
Jenifer Goolie, Esq.
Hillary Lindeman
Angel Perez
Dr. Clinton Pettus
Anthony Rodriguez, Esq.
Sean Seldon
Michael Starling
Ruth Thomas
Doncella Wilson

EXECUTIVE DIRECTOR

Meredith L. Girard, Esq.

MAIN OFFICE | EASTON

499 Idlewild Avenue
Suite 102
Easton, MD 21601

SALISBURY OFFICE

4601-B E. Naylor Mill Road
Salisbury, MD 21804

p 410.690.8128

f 443.385.0210

shorelegal.org

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.



SB192-BT-FAV.pdf

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB192

January 22, 2025

TO: Senate Budget & Taxation Committee

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

RE: Senate Bill 192 - Property Tax - Tax Sales - Revisions

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) 192.

SB192 would extend several tax sale protections for homeowners that currently only exist in Baltimore City across the entire State of Maryland. The bill would also increase the minimum threshold for liens and unpaid taxes that would place an owner-occupied property into tax sale as well as extend the period that a property owner has to redeem a property that has gone to tax sale. The bill also requires that the Tax Sale Ombudsman be notified when initial action is taken to foreclose the right of redemption on an owner-occupied property which will provide additional resources to owners of those properties.

The overall potential positive impact that SB 192 will have for residential property owners is significant. Baltimore City has provided protections for all residential properties, including both owner-occupied properties and non-owner occupied properties, since State law was enacted in 2019 to protect those property owners.

For these reasons, the Baltimore City Administration requests a **favorable** report on SB192.

SB 192_HB 59.pdf

Uploaded by: Nneka Nnamdi

Position: FAV



SB192/HB59 Property Tax – Tax Sales – Revisions

Budget and Taxation Committee

Date: Tuesday, January 22, 2025

Time: 10:30 AM

Position: SUPPORT

Fight Blight Bmore's (FBB's) mission is to remediate blight through community projects and programs envisioned, directed, and owned by the community. An economic, environmental, and social justice organization, FBB believes that blight—manifested as vacant, abandoned, dilapidated, underutilized, and misutilized properties—has arisen from systemic racism, including disinvestment and depopulation, which has significantly decreased taxable properties in historically Black neighborhoods across the city. Tax sales have been a major driver of blight in Baltimore, particularly in Black neighborhoods. ***FBB supports SB192/HB 59 because its addresses critical inequities and vulnerabilities in the tax sale process.***

The bill will implement protections for citizens, especially those most vulnerable to tax sale. Key provisions, such as:

- withholding owner-occupied residential properties from tax sale when the owed amounts fall below a specified threshold
- limiting redemption rates for such properties
- extending eligibility for the Homeowners Protection Program to heirs

will be positively impactful for residents and neighborhoods by making it less likely that people can lose their homes from tax sale. Moreover, the bill includes measures to enhance transparency and accountability measures for the jurisdictions.

FBB supports SB 192 in its current form as it aligns with our commitment to social justice and the reduction of systemic inequities that perpetuate blight. By addressing tax sales as a driver of blight, this bill is a vital step toward stabilizing communities, preserving homeownership, and promoting equitable redevelopment in Baltimore and beyond.

For the above reasons,

The SOS Fund urges a favorable report.

Please contact Nneka Nnamdi, Founder, with any questions nneka@fightblightbmore.com

443.468.6041

Testimony in support of SB0192 - Property Tax - Ta

Uploaded by: Richard KAP Kaplowitz

Position: FAV

01/22/2025

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#/0192- POSITION: FAVORABLE

Property Tax - Tax Sales – Revisions

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget & Taxation Committee
FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0192, Property Tax - Tax Sales – Revisions

“This legislation reflects our commitment to protecting Maryland’s most vulnerable homeowners,” said **Jake Day, Secretary of the Maryland Department of Housing and Community Development**. “No one should lose their home over unpaid water bills. This legislation offers homeowners the time, options, and support they need to prevent foreclosure and stay in their homes, allowing them to build generational wealth, and strengthening communities across Maryland.”¹

This bill reflects my Jewish values of care for the poor amongst us.

If there are any poor in your towns when you arrive in the land....do not be hardhearted or tightfisted toward them. Instead, be generous and lend them whatever they need. Do not be mean spirited and refuse a loan because the year of release is close at hand. —Deut.15:7-9

The intent of this bill is requiring that certain owner-occupied property be withheld from tax sale, also requiring a county or municipal corporation to withhold from tax sale certain property when the taxes consist only of a lien for unpaid water and sewer service. The bill adds protections by authorizing a county or a municipal corporation to withhold from tax sale certain property designated for redevelopment purposes which can prevent destruction of existing communities by facilitating redevelopment at the expense of the current population in that area targeted to be redeveloped. It also mandates altering the contents of certain statements required to be sent to an owner of property subject to tax sale so the person can perform proactive remediation of the circumstances.

This is a bill that places Housing Justice and Economic Justice at the forefront of Maryland’s treatment of disadvantaged persons and communities.

I respectfully urge this committee to return a favorable report on SB#/0192.

¹ <https://www.foodandwaterwatch.org/2025/01/07/state-advocates-praise-moore-administration-plans-to-expand-human-right-to-water-principles-by-prohibiting-property-tax-sale-for-unpaid-water-bills/>

CLC Written Testimony SB 192 Property Tax – Tax Sa

Uploaded by: Shana Roth-Gormley

Position: FAV



SB 192

Property Tax – Tax Sales – Revisions

Hearing before the Senate Budget and Taxation Committee

Jan. 22, 2025

POSITION: Favorable

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 192 to reduce the negative impacts of tax sale on communities. The bill would take a number of positive steps to protect Maryland homeowners and neighborhoods, including:

- Raising the threshold lien amount at which owner-occupied properties go to tax sale;
- Expanding statewide the protections for residential and religious institution properties;
- Giving more control to municipalities over properties designated for redevelopment;
- Capping the rate of redemption that property owners must pay to save their property from tax sale foreclosure;
- Requiring that lien purchasers of vacant properties move swiftly to address those properties;
- Giving notice to the State Tax Sale Ombudsman of tax sale foreclosure court filings;
- Giving tenants for foreclosed properties more time to vacate following foreclosure; and
- Expanding the definition of “homeowner” to include a homeowner’s estate and heirs.

Through our work with nonprofits and neighborhoods in Maryland, CLC has seen the negative impacts that tax sale has on communities – transforming occupied homes into vacant and abandoned properties, as longtime homeowners lose (or believe they have lost) their properties, but the tax sale certificate purchaser does not complete the foreclosure process, or does not record a new deed after foreclosure. In addition, tax sale clouds property titles, making them more difficult and expensive to transfer and insure. Tax sale creates a complicated, labyrinthine process that is difficult for property owners to navigate. In this process, it becomes all too easy for mistakes or bad behavior by lien certificate purchasers to confuse property owners trying to redeem their properties. When this happens, homeowners can lose their homes if they do not know where to turn for help, leading to the loss of generational wealth and destroying the fabric of Maryland communities.

SB 192 addresses these issues by making it easier for homeowners to avoid tax sale and stay in their homes, while also giving municipalities more control over vacant properties in tax sale. This is a win for homeowners, communities, local governments, and the state as a whole. Thank you for the opportunity to testify.

For the above reasons,

CLC urges a FAVORABLE VOTE ON SB 192.

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

ShanaR@communitylaw.org | 410-366-0922 x 118

MML - SB 192 - UNF.pdf

Uploaded by: Justin Fiore

Position: UNF



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

January 22, 2025

Committee: Senate Budget & Taxation Committee

Bill: SB 192 – Property Tax – Tax Sales – Revisions

Position: Oppose

Reason for Position:

The Maryland Municipal League opposes Senate Bill 192 as introduced, largely due to the provision that bars local governments from using the tax sale process to recover water/sewer debt.

The League appreciates the Department's intent to protect homeowners and keep them in their homes where possible. MML has worked with the General Assembly for decades to strike a balance on tax sales, both as the only meaningful tax collection tool afforded to local governments and to protect vulnerable homeowners. We have repeatedly supported the Homeowner Protection Program (HPP) and view it as a much better solution to the concerns this provision seeks to address.

SB 192 is understandably more of a municipal problem than county, as the majority of public water and sewer systems are operated by municipalities. Under this legislation, a homeowner can accumulate \$1,000s of unpaid water/sewer bills. Without the ability to collect via the tax sale process, more jurisdictions may be forced to utilize water shutoffs if they haven't already prohibited the practice locally. Sewer cannot be shut off.

This is not a theoretical problem. Last year's fiscal note contained 2022 tax sales data showing 578 "Owner-occupied Water/Sewer Liens Offered for Sale" in Maryland at an aggregate amount of \$570,840 (\$988 on average). Local government simply won't be able to recover those funds on a reasonable timeline under SB 192, instead waiting for a second non-water/sewer lien amounting to \$1,000+ or sale of the property.

For these reasons the League respectfully requests that this committee provide Senate Bill with an unfavorable report or remove the inclusion of municipalities in 14-811 (b)(3).

FOR MORE INFORMATION CONTACT:

47 State Circle, Suite 403 Annapolis, Maryland 21401
(410) 295-9100 www.mdmunicipal.org



Maryland Municipal League

The Association of Maryland's Cities and Towns

Theresa Kuhns

Angelica Bailey Thupari, Esq.

Bill Jorch

Justin Fiore

Tyler Brice

Iris Ibegbulem

Chief Executive Officer

Director, Advocacy & Public Affairs

Director, Public Policy & Research

Deputy Director, Advocacy & Public Affairs

Manager, Advocacy & Public Affairs

Senior Associate, Advocacy & Public Affairs

SB 192 HB 49 unfavorable.pdf

Uploaded by: Scott morse

Position: UNF

LAW OFFICE OF
J. Scott Morse, LLC
9 Newburg Ave - Ste 201
Catonsville, MD 21228

PHONE
(410) 747-2019

FAX
(410) 558-6155
email: smorse@morselawmd.com
www.morselawmd.com

SB 192 / HB 49 - UNFAVORABLE

Dear Committee Members,

I am an attorney whose law practice focuses almost entirely on tax sales and am a member of the Maryland Tax Sale Participants Association (MTSPA). I have been doing tax sale work for over 25 years. I am one of the largest tax sale foreclosure filers in the State of Maryland. Members of the MTSPA buy the bulk of the tax liens in Maryland each year and provide the State and Counties with millions of dollars in funding annually. I have testified before your committee for many, many years on tax sale issues, as it is clear that the anti tax sale lobby is never satisfied and will never stop attacking the tax sale system until they reach their ultimate goal of making tax sale disappear. I would like to state that I, my clients, and the MTSPA strongly oppose this bill.

This bill is previous HB 243 (2024), that was negotiated and approved by all parties (tax sale participants and anti-tax sale lobby), WITH THE EXCEPTION that instead of adding water bills back into tax sale for non-owner occupied (investor) properties, this bill actually does the opposite and removes all water bills from tax sale throughout the State. This bill removes what was bargained for by the tax sale participants (adding back water bills on investor properties), yet keeps all of what was conceded by the tax sale participants (lower interest rate, longer time frames, etc, etc.) This is very dirty politics by the anti-tax sale lobby. HB 243 (2024) was passed in its final and agreed form in 2024 by both the house and the senate, but it was very late in the session so there was not enough time to bring it to the floor for passage into law. It is extremely underhanded to bring this bill back in 2025 as if it is just the same bill as last year - IT IS NOT. In fact, the bill goes even farther and against of what was passed last year, and significantly hurts County revenue, by removing all water bills from tax sale throughout the state - the opposite of adding back water bills for non-owner-occupied properties like last year's bill.

This bill does the following:

1. Raises the threshold for owner occupied properties to go into tax sale from \$750 to \$1,000
2. Lowers owner occupied interest from 12% to 10%
3. Extends the start date on owner occupied foreclosures from 7 to 10 months after sale
4. Takes water bills out for the whole state
5. Gives occupants 90 days to move out after judgment instead of 30 days.

All of these changes are problematic and have significant implications on tax revenue to municipalities, when the State is already facing a \$3 billion budget shortage. Now is not the time to be tinkering with the tax sale system and vital tax sale revenue.

This bill should be tabled to allow the tax sale participants and the anti-tax sale lobby to come up with agreed revisions that are in line with HB 243 (2024) that passed the House and Senate Committees last year, and that are revenue neutral and will not hurt vial State and County property tax revenue

Very truly yours,

J Scott Morse

J. Scott Morse, Esq