

SB0556 Real Property - Fraudulent Possession and Unauthorized Lease or Listing - Prohibition and Removal

Judicial Proceedings

Date: February 6, 2025 Time: 1:00pm

Position: DOES NOT SUPPORT

Fight Blight Bmore (FB B) stands firm in its mission to remediate blight through community-driven projects and programs. As an economic, environmental, and social justice organization, FBB recognizes that blight, manifested in vacant, abandoned, dilapidated, underutilized, and misutilized properties, is a product of systemic racism, including disinvestment and depopulation. These factors have significantly reduced taxable properties in historically Black neighborhoods across Baltimore. *FBB does not support SB0556 because it will make more people vulnerable to home, equity, and neighborhood loss.*

One of the major drivers of blight in these neighborhoods has been tax sales, and FBB states that SB0556, while aimed at addressing issues related to fraudulent possession of real property, unintentionally opens the door for greater harm to some of the most vulnerable residents of these communities. Specifically, we are deeply concerned that this bill exposes victims of tax sale foreclosures to removal from their homes via non-judicial evictions.

Reasons for Our Opposition:

• Vulnerability after Tax Sale Foreclosure: Under the provisions of the bill, individuals—whether homeowners (or heirs) or tenants—who live in properties where the right to redeem has been foreclosed, would lose critical due process protections, continuing the cycle of displacement in already overburdened communities. The 2023 Tax Sale Ombudsman Report for Maryland revealed that at least 300 properties were foreclosed on due to tax sale, with 116 of those properties being defined as owner-occupied. Under the provisions of this bill, residents of these properties could be summarily evicted by the sheriff as "squatters," without access to adequate due process. This is especially troubling when lien purchasers often move to evict without having formally taken title to the property, acting instead as de facto owners.

For the above reasons,

Fight Blight Bmore urges an unfavorable report.

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• Inadequate Safeguards for Residents: The bill fails to include sufficient safeguards for residents who could be wrongfully evicted or those facing eviction under ambiguous or disputed circumstances. The law requires residents—whether tenants or homeowners who may have had a lease with the previous owner or previous owner (or heirs)—to file an affirmative claim with the court to seek relief. This poses a significant barrier to those who cannot afford legal counsel, as many lawyers are unwilling to take these types of cases on contingency due to low potential awards, and many pro bono legal services are unable to file affirmative claims.

FBB recognizes that housing providers already have legal avenues to address "squatters", so removing the judicial process for eviction is an erosion of rights for residents. This approach resembles a return to feudalism and police overreach. Rather than passing this law, the focus should be on improving the housing court system by enhancing technology, increasing court staffing, and providing better legal education for all involved.

FBB does not support SB556, as it disproportionately places vulnerable residents at greater risk of displacement without reasonable recourse for their protection.

For the above reasons,