



HB 59

Property Tax – Tax Sales – Revisions

Hearing before the House Ways and Means Committee

Jan. 28, 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 HB 59 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.

HB 59 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 HB 59.

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

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