



HB 59/SB 192
PROPERTY TAX— TAX SALES – REVISIONS
HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
January 28, 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.
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