

## ODETTE RAMOS

Councilwoman District 14



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100 N. Holliday Street, Room 506, Baltimore MD 21202

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### **HB852 – Property Taxes – Tax Sales – Homeowner Protection Program**

Testimony

Position: SUPPORT

Chair Kaiser and Members of the Ways and Means Committee:

I am writing to urge your support of HB852 – Property Taxes – Tax Sales – Homeowner Protection Program.

This bill creates the Homeowner Protection Program for which residents in danger of tax sale could apply to help save their homes. Maryland uses a Lien Tax Sale system to collect taxes and liens. In this system, homeowners who do not pay their taxes and liens go into tax sale. Their liens are sold to investors, who then go to the homeowner demanding the payment, up to 18%, and additional legal fees. A \$1000 tax bill could become a \$2500 tax bill in a matter of months. The people normally victims of tax sale are our older adults who no longer have mortgages. They may forget to pay taxes, or have a medical event that needs to be paid, or helping family members during COVID and tough times so they can't pay their taxes. It is shameful to have our older adults be stressed and possibly lose their homes in this way.

In Baltimore City during the 2020 tax sale, which was moved from May to July, 3578 homeowners found themselves on the tax sale list, and 1,475 homeowners went through the Tax Sale, 91 of whom were in my district. When you look at a map of where the homeowners are, they are in our predominantly Black neighborhoods.

As an advocate for years prior to becoming a member of the Baltimore City Council, we lead the creation of and reporting after the Tax Sale Task Force a few years ago. While the task force came up with recommendations to provide more tools to address vacant properties cycling through the tax sale and more protections for homeowners, we need to do more. Thanks to Chair Kaiser's leadership and that of advocates who continue this work, we now have a chance for real reform to protect homeowners from this predatory practice.

The Homeowner Protection Program under this bill would have the state purchase the liens rather than an investor. The relationship regarding collections would be between the state and the homeowner, at a much lower interest rate and for a longer time. The jurisdictions get their funds owed to them, while the homeowner gets the important chance to pay back their debt without additional fees.

I am grateful for this much needed reform. Please pass this important legislation to protect homeowners, make our jurisdictions whole, and provide a more humane way of tax collection.

Respectfully submitted,

A handwritten signature in purple ink, appearing to read "Odette", is centered below the text "Respectfully submitted,".

Odette Ramos

Baltimore City Council, District 14