

Feb. 12, 2021

Delegate Anne R. Kaiser, Chair
Members of the House Ways and Means Committee
House Office Building, Room 131
Annapolis, MD 21401

Re: Support for House Bill 852 - Property Tax - Tax Sales - Homeowner Protection Program

Dear Chairperson Kaiser and Members of the House Ways and Means Committee:

Thank you for the opportunity to support HB 852, a bill to create a Homeowner Protection Program to divert vulnerable homeowners from the tax sale process and preserve their equity in their homes. Community Law Center supports this legislation to ensure that tax sale does not harm vulnerable homeowners and communities in Maryland.

Community Law Center is a nonprofit organization which provides free legal services to nonprofit and community organizations throughout Maryland to promote stronger nonprofits and more vibrant neighborhoods. We are a co-founder of the Baltimore City Tax Sale Work Group, a coalition of legal service providers, nonprofit advocates, City officials, and others working to improve the tax sale process in Baltimore City. We have seen the crushing impacts of tax sale on homeowners who can lose their homes – and all their equity – for as little as \$750 in unpaid tax bills, as well as the devastating consequences for communities when longtime homeowners lose their homes and leave a vacant property in their wake.

We recognize that tax sale can be a tool for local governments, when well designed to efficiently collect revenue, protect vulnerable homeowners, and return vacant properties to productive use. However, the current tax sale system relies on private purchasers to purchase tax debt, and this arrangement has led to confusion among homeowners about when a property is lost or changes hands. Homeowners who do not understand the complicated tax sale process may believe they have already lost the property when in fact the tax sale certificate has been purchased, and they can still redeem and keep their property. Having a Homeowner Protection Program in place would help these homeowners understand the process and pay back their tax debt. When homeowners have a clearer understanding of the process and an opportunity for payment plans, they are more likely to pay back their tax debt. Preventing tax sale foreclosures must be a priority now more than ever, as the COVID-19 crisis shows that keeping people in their homes is matter of public health and safety. Looking to the future, keeping homeowners in their homes preserves the strength and social fabric of our neighborhoods, and reduces the scale of property vacancy and abandonment that is so devastating for Maryland communities.

We urge a **favorable report** on HB 852. Thank you for your consideration.

Sincerely,
Shana Roth-Gormley
Staff Attorney and Pro Bono Coordinator