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**21-0058**

**REAL PROPERTY TAX – INSTALLMENT PLANS  
HEARING BEFORE THE WAYS AND MEANS COMMITTEE  
SEPTEMBER 28, 2021  
POSITION: SUPPORT**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide clearinghouse for pro bono civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. **PBRC supports 21-0058 because it would allow vulnerable homeowners another avenue to pay their tax debt, thereby potentially preserving homeownership for hundreds of lower-income Baltimore families.**

Over the past six years, PBRC has assisted nearly 700 homeowners at risk of losing their homes to tax sale. The clients served by tax sale prevention clinics held in Baltimore by PBRC and MVLS represent some of our City’s most vulnerable citizens: nearly three-quarters are seniors, approximately half are disabled, the overwhelming majority identify as Black, and nearly three-quarters report annual household incomes of less than \$30,000. Through the advocacy volunteer attorneys, many of these clients can access programs and credits to allow them to stay in their homes. However, most Baltimore homeowners are unrepresented.

Most of our clients have owned their homes for decades—in fact, the average length of homeownership amongst our 2020 Baltimore clients was 24 years. Nearly 75% of them do not have a mortgage, meaning they have paid off their loans and own their homes outright. Since these long-time, mostly senior homeowners have paid off their mortgages and no longer have their property taxes sent to an escrow account on a monthly basis, they are faced with a large tax bill all at once. A large tax bill is simply not within reach for these homeowners. Creating a monthly installment plan to pay down the tax bill over the year alleviates the financial pressure, thereby helping homeowners avoid tax sale. As low-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes. If a homeowner is unable to pay the bill and ends up in tax sale, they will lose their house, all of their equity, and any accumulated wealth they could otherwise have passed on to their heirs. This could occur for an outstanding tax bill as low as \$750.

PBRC supports 21-0058, which will allow Baltimore families a much-needed plan to pay their tax bills incrementally without having to worry about the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth. Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on 21-0058.**

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.  
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