

BALTIMORE CITY WAYS AND MEANS COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN SUPPORT OF BILL 21-0024R:  
TUESDAY, JULY 20, 2021

Chairman Costello and distinguished members of the Committee, thank you for the opportunity to testify in support of Council Resolution 21-0024R.

My name is Phillip Westry, and I am a Staff Attorney at the Maryland Volunteer Lawyer Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. MVLS was founded in 1981 by a group of concerned Maryland lawyers, legal services providers, and leadership of the Maryland State Bar Association. Since then, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY20, MVLS volunteers provided legal services to 4,459 people across the state.

Tax sale often affects the poorest homeowners in the most distressed neighborhoods and contributes to vacant and abandoned properties all over the state. In 2013, MVLS and other nonprofit organizations came together to form the Tax Sale Workgroup. Our goal was to protect communities and homeowners, especially people with lower incomes and the elderly, who face the devastating effects of the tax sale process. As part of our work on this issue, MVLS provides individual representation for homeowners in tax sale. In the last two years, MVLS volunteers and staff represented 115 individual homeowners. Since 2014, MVLS has maintained a partnership with the Pro Bono Resource Center of Maryland to conduct tax sale workshops aimed at helping homeowners avoid tax sale. In the past four years, volunteers have assisted over 350 people at these workshops. Additionally, MVLS's My Home, My Deed, My Legacy Project raising awareness about the importance of estate planning in the context of community stabilization in Baltimore City and securing essential resources, including the Homeowners' Property Tax Credit.

The two most significant hurdles faced by homeowners in tax sale are (1) understanding the tax sale process itself and (2) finding the money to redeem.

Last year, Estelle came to MVLS to help her save her home when she had nowhere else to turn. For 58 years, she has raised her family in Middle East, participated in community events, and been a staple in her neighborhood. Estelle was proactive and made sure to apply for the Homeowner's Property Tax Credit every year. However, this past year Estelle was hospitalized, and as a result, she missed the Homeowner's Property Tax Credit application deadline. Without the tax credit, Estelle faced a property tax bill that she could not afford on her limited pension. When she was finally released from the hospital, instead of focusing on her recovery, Estelle faced the threat of losing her home to tax sale. Estelle needed to pay \$2,017.11 in a short time to keep her home out of the tax sale auction. With no savings and a limited income, she had few options. Desperate to save her home, Estelle began looking around her home, identifying any furniture and other personal items that she might sell to raise funds. She also started making a list of everyone she knew that she might be able to borrow money from to pay her property taxes. Estelle also took one more critical step – she contacted MVLS.

Timothy is a 64-year homeowner who lives in Northeast Baltimore. Timothy lived in his parent's home and had been living there for 62 years. He took care of his parents until they passed away, and now he is caring for his sister, who has brain injuries. Timothy found himself at risk of losing their family home that his parents had worked so hard for over a \$3800 tax bill. At the same time, he was navigating the process of opening an estate for his parents and transferring the deed to the home into his name. Due to the deed not being in his name, he was not eligible for the Homeowner's Property Tax Credit. Upon hearing his story, a neighbor has donated to help him pay his taxes. MVLS continues to work with Timothy to get his deed issue resolved to get the Homeowner's Property Tax Credit in the future, and his home can remain affordable for him and his sister. Timothy could end up on the next tax sale list under the current system. There are dual barriers that this client, and other tangled title clients face, first, the cost of opening an estate, fees, publication, bonding, and the full burden of the tax assessment.

From the data we collected at our 2020 Baltimore City tax sale clinics, 72% of clients are seniors, 48% were disabled, 85% identified as Black, and 72% reported a household income of \$30,000 or less per year. Many of these clients survive on fixed incomes and struggle to pay their bills even before a tax sale happens. We also found that most homeowners live in multigenerational households where they provide shelter and support for their children and grandchildren.

MVLS supports the recent progress the Baltimore City Council has made, including the passage of Baltimore City Council Bill 20-0593. In addition, MVLS supports further protections being added to the tax sale process, specifically classifying properties into three categories: owner-occupied, non-owner occupied, and empty or vacant properties. While vacant properties should be moved through the tax sale process quickly and put back to productive use, we implore the City to set up the necessary supports to keep our most vulnerable homeowners from facing homelessness. There are tax credits available for low-income homeowners that many do not even know about. Additionally, data shows that upon breaking large bills into affordable payments, customers are more likely to repay their debt. We support improvements to the tax sale process that give owners of occupied properties an opportunity to enter payment plans, receive any available tax credits, and sets up an ombudsman office with the primary goal of preventing homeowners from going into tax sale. We have produced a detailed White Paper in which we describe how this is not only possible but cost effective for the City.

Based on our experience serving Baltimoreans facing tax sale and the data we have compiled over the years, MVLS strongly supports Council Resolution 21-0024R. We believe that providing our most vulnerable citizens a straightforward and more affordable way to pay their property tax bill will help stabilize communities and preserve homeownership in neighborhoods across the City.

Mister Chairman and members of the Committee, thank you again for the opportunity to testify.