

Odette Ramos
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Testimony
20-0593-Tax Sales, Properties Exempt from Tax Sale
Support with Sponsor Amendments

Chairwoman Middleton and members of the Taxation, Finance and Economic Development Committee:

I am writing to strongly urge your support of Council Bill 20-0593 Tax Sales – Properties Exempt from Tax Sale.

This legislation comes from years of work by the Tax Sale Work Group and other advocates to ensure that vulnerable families do not fall victim to tax sale. Tax Sale is the predatory method of collecting delinquent property taxes, liens, and water bills that we have in Maryland. In Baltimore, thanks to work by several advocates, homes cannot be taken to tax sale for water bills alone. In my prior role as Executive Director of the Community Development Network of Maryland, I was one of those advocates, leading the charge during the General Assembly on these issues.

In tax sale, a property whose taxes and liens are delinquent is sent to Tax Sale each May in Baltimore. An investor purchases the lien, then goes back to the homeowner to collect. Baltimore is made whole in one day, while the investor then makes arrangements with the homeowner to pay within two years, adding 12% interest and additional fees. If there is no payment, the investor can foreclose.

Generally, the families who end up in this situation are older adults who have paid off their home or are in the family home, who either forget to pay their taxes, or a medical event or some other crisis caused them to have to make decisions about priorities for payment.

Losing the family home or a home that families have worked so hard to pay off is a horrible situation. What typically happens, however, is that families make decisions between eating, medications, and paying off this debt. This past tax sale, in my district, 91 families were in this situation. I have attached to this testimony a table of the owner-occupied homes that went into tax sale this past year by council district.

Council Bill 20-0593 requires the Department of Finance to determine how to take properties owned by older adults, low income families, and disabled individuals out of tax sale. Baltimore needs a different method of collecting taxes and fees, as vulnerable families should not be further penalized with a predatory system where they have to determine if they will pay for food, or pay an investor with predatory interest, to save their homes.

HB1209 passed in the Maryland General Assembly two years ago, enabling jurisdictions to create such legislation as we are hearing today. It also establishes a state ombudsman, and adds additional protections for families. Prior to that, several advocates were involved in the General Assembly's Tax Sale Task Force, a bipartisan task force that came up with seven pieces of legislation to protect homeowners from tax sale and provide more tools to address vacancies caught in the tax sale loop. The City Council just passed legislation to address vacant properties issue, and we thank the City Council for its leadership in this regard. I lead the Tax Sale Task force and authored the report.

Baltimore will be the first jurisdiction to implement these important reforms in the state. Baltimore is leading the way to helping the most vulnerable.

Please pass this legislation, with amendments from the Sponsor.

I am available for further questions on 443-801-8137 and odette@odetteramos.com

Respectfully Submitted,



Odette Ramos
Democratic Nominee for City Council in the 14th District

Addendum to this testimony:

Slides with graphics of owner-occupied homes in tax sale this July

https://docs.google.com/presentation/d/1WppYFkU-kmbZw1Wlg8Z0Jvj13G_WORyZQ-rH1r8CT-0/edit#slide=id.g87ae7aafca_0_6

Chart with tax sales by City Council District – July 2020

Council district	Advertised properties (#)	Mean lien amount (\$)	Properties scheduled for auction (#)	Owner occupied properties scheduled for auction (#)
1	719	6218	319	71
2	504	4763	255	67
3	482	3630	252	96
4	695	5250	396	116
5	575	6239	332	86
6	1191	12620	806	138
7	1636	11122	1075	149
8	958	6383	493	139
9	2758	15790	2148	172
10	1105	6620	656	113
11	723	14293	439	41
12	1351	24368	964	75
13	1586	13731	1043	121
14	768	8785	463	91