
21-0099

**STUDY AND REPORT – TAX SALE ACCOUNTING
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 21-0099 because the tax sale system is failing lower-income Baltimore families, requiring study and, ultimately, reforms.**

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.

During the course of the 2021 tax sale season, we saw numerous issues:

(1) Information Gap: With the end of the City’s contract with BidBaltimore, a huge information gap resulted and advocates had difficulty reaching out to at-risk homeowners. The failure of the City to ensure we had access to a complete and proper tax sale list amounted to a harm to homeowners.

(2) Data Errors: One client had a significant error in her delinquency amount, to the tune of hundreds of thousands of dollars, which the City acknowledged was a data entry error.

(3) Missing Tax Credits: Several clients did not receive their Homeowner’s Tax Credits, as they had for many years prior, making their property tax bill unaffordable. This included both mail delays and processing problems at SDAT.

(4) Title Issues: Over 20% of our clients were heir homeowners who had inherited their homes from their deceased parents, but had not yet been able to properly obtain title to the home, and did not know the process for or were not able to obtain the Homeowner’s Tax Credit as an heir homeowner.

(5) Misclassification: Some clients own and reside in homes that are improperly classified as non-owner occupied, which bars them from property tax credits and subjects them to a lower delinquency threshold to land in tax sale.

PBRC supports 21-0099, which will create a critical record of these types of issues experienced by homeowners at risk of and in the midst of tax sale, and will be an important first step towards rectifying these problems. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on 21-0099.

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

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