



**Testimony to the Baltimore City Delegation
HB 1035 Baltimore City Tax Sales
Position: Support**

March 6, 2015

The Honorable Curt Anderson, Chair
Baltimore City Delegation
Room 314, House Office Building
Annapolis, MD 21401

Honorable Chair Anderson and Members of the Delegation:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances fairness and justice for Maryland consumers through research, education, and advocacy. Our 10,000 members include consumer advocates, practitioners, and low-income and working families throughout Maryland.

I also write in my capacity as the Coordinator of the Baltimore Homeownership Preservation Coalition (BHPC) a group of more than 50 nonprofit, governmental, and professional associations working to prevent or mitigate the effects of foreclosure on Baltimore families and neighborhoods through proactive, data-driven strategies.

MCRC and BHPC strongly support HB 1035.

Homeownership remains an important asset-building strategy for families and a way to transfer wealth from one generation to the next. Yet, in February 2015 Maryland posted the third highest state foreclosure rate — one in every 611 housing units with a foreclosure filing — despite a monthly and annual decrease in foreclosure activity (RealtyTrac, Feb. 2015).

As we know, foreclosures devastate the families who have lost their homes, their communities, and their neighborhoods. It also reduces a city's tax revenue and slows economic recovery. Tax-lien foreclosures are particularly devastating because they affect older adults who have equity in their homes yet lose their homes (and all the equity) for a few thousand dollars. As the Abell Foundation report documented, tax lien foreclosures are a real problem in Baltimore City and one that affects our most vulnerable citizens.

HB1035 will provide some protections for homeowners. The proposed bill will extend the period of time during which a homeowner can redeem the property prior to foreclosure which will allow homeowners to find funds or avail themselves of programs to avoid the loss of the home. The bill also raises the threshold for which a property can be submitted to tax sale from \$250 to \$500. This modest but positive step will be helpful, however, we believe that the threshold should be raised to \$1,000 to avert further tax lien foreclosures. The bill also provides authority for the city to require tax sale purchasers to offer payment plans so that homeowners may redeem their properties. Combined with payment plans currently offered or under consideration by the city, this provision could provide a way for residents to save their home.

We respectfully request a **favorable report** on HB1035.

Best,

Marceline White
Executive Director