

Tax Sale Working Group

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Maryland Tax Sale Task Force 2017 Report:

<https://msa.maryland.gov/megafile/msa/speccol/sc5300/sc5339/000113/022600/022602/20180151e.pdf>

Multiple Recommendations - legislation from those recommendations:

- In Rem Authorization (Eckardt, Holmes)
- Lien Release for the whole state (was just for Baltimore) (Eckardt, Holmes)
- Water affordability programs and round up programs (Eckardt, Walker)
- Waive fees to open estates (Ivey, Ferguson)
- Landlord presents water bill copy to tenant (Eckardt, Holmes)
- Protections - on tax bill indicate programs to help residents (Eckardt, Holmes)

Additional State Legislation

- Created Tax Sale Ombudsman at SDAT - creates annual reports, assists residents with the tax sale process, collects data. (Chair Kaiser)
- Created legislation allowing for jurisdictions to remove certain homeowners from tax sale - elderly, low income, and disabled. (Chair Kaiser)
- Created legislation for the state to purchase up to \$750,000 in liens and work directly with the homeowners to pay down the debt. (Chair Kaiser)
- Allowed Baltimore to exclude water bills from tax sale for homeowners (Sen Washington, Del Mosby)
- Increased threshold under which homeowners withheld from tax sale (was \$250 now is \$750) and decrease interest percentage (was 18% now 12% in City).

Baltimore City Council Tax Sale Reform Legislation

- In Rem for Vacant and Abandoned Properties 2020 (Administration)
- Exempt certain homeowners from Tax Sale up to \$2million 2020 (CW McCray)
- Disclosures of VBNs at point of sale 2021 (CW Ramos)
- Installment payments for property taxes 2021 (CW Ramos)
- Study and Report Tax Sale accounting 2021 (CW Ramos)

Legislative Proposals Requiring General Assembly action

- Enable jurisdictions to not sell the liens. The Baltimore City Council would still have to pass legislation to allow this. Additional challenge is how to address state property tax.
- Enable jurisdictions to create payment plans for homeowners in arrears. City Council would have to create legislation to allow this once authorization is given.
- Change the Excess Funds account to allow for unclaimed funds after 5 years to go to nonprofits who assist residents with avoiding tax sale.
- Change the final redemption payments to be to one payee - not two.
- Change the Homeowners' Property Tax Credit to be easier to apply, removing the asset provisions and updating the income provisions.
- Shorten timeframe for redemption of vacant and abandoned properties
- Allow for jurisdictions to cancel their tax sales.

Further Work needed by Mayor/City Council and status

- Create system to collect property taxes and liens that is fair and equitable, where we would not sell the liens. Instead we would work with the homeowner to pay down the debt and ensure they are not in this problem again. (after GA approval)
- As part of this new system, create a Tax Sale Services Office - working with homeowners to pay down their debt. (can be done now)
- Create payment plans system to help people pay down their debt. (after GA approval)
- Create Baltimore's Land Bank to address vacant properties so there is control over the outcome of the property. By not having to sell the liens, Baltimore can transfer the liens to the Land Bank to foreclose and make the properties available for best outcome. (making progress, to be introduced Jan/Feb)