

May 29, 2020

The Honorable Bernard C. Jack Young  
Mayor of Baltimore City  
250 City Hall, 100 N. Holliday Street  
Baltimore, MD 21202

**RE: Baltimore City Tax Sale During Covid-19 Pandemic**

Dear Mayor Young:

We write this letter on behalf of the Baltimore Tax Sale Work Group, a coalition of over 40 local nonprofits, community developers, legal services organizations, churches, and others who have been meeting for more than seven years to advocate for reforms to the tax sale system in Baltimore City. The City of Baltimore is in the midst of an unprecedented public health crisis due to the Covid-19 pandemic. While we applaud your efforts to push the tax sale back to July, more must be done to protect the citizens of Baltimore in this time of crisis.

Over half a million Marylanders have lost their jobs since the beginning of the pandemic and are struggling to pay for basic necessities such as food and housing. The City of Baltimore remains under a state of emergency and citizens are strongly advised to stay at home; however, people cannot stay in their homes if they lose them to tax sale. In addition to the impact on individual households, an increase in homelessness would ignite the community spread of Covid-19, affecting the whole City.

This disease and our nation's response to the disease has been one that has inequitably impacted communities of color. 38% of Maryland's Covid-19 patients are Black, and Hispanics make up 29% of Maryland's positive Covid-19 cases. Some of the hardest hit zipcodes in the City, 21224 and 21215, are predominantly occupied by people of color and also have some of the greatest numbers of properties on the tax sale list each year. As of May 15<sup>th</sup> 2020, these zipcodes alone had a combined 1,617 properties on the list, representing 13% of the total properties in the tax sale. The Tax Sale Work Group calls for an equitable response to the Covid-19 crisis that takes into account the needs and challenges faced by communities of color.

The Baltimore Tax Sale Work Group urges you to consider the following actions:

**1) Delay the tax sale auction until at least 90 days after the state of emergency in Baltimore has been lifted.** While our group recognizes the critical influx of funds to the City from the annual tax sale, we urge the City to consider delaying the sale to such a time

as people are able to regain employment and pay delinquent taxes owed to the City to get themselves out of tax sale. While the stay at home order remains in place in Baltimore City, most residents continue to face a reduction or elimination of their paychecks. Although foreclosures and other court actions are on hold, balances on mortgages, rent payments and utility bills continue to accrue and will need to be paid. People will likely be dealing with a mountain of urgent bills when they are able to resume working again. Additionally, many of the low income clients with whom we work, rely on the ability to go to the Abel Wolman Municipal Building in person to make payments and ask questions about their bills. Rightfully so, there are widespread concerns about whether a check or money order that is sent in the mail will be received and properly applied to a customer's account. Customers receive no written or verbal confirmation when their payment has been received and they have been removed from the tax sale list. Delaying the tax sale until 90 days after the state of emergency has been lifted will allow people time to earn enough money to make a payment and will allow in person payments to resume.

**2) Remove the most vulnerable residents from tax sale.** Maryland Tax-Property Code § 14-811(f) gives the City the authority to “withhold from sale a dwelling owned by a homeowner who is low-income, at least 65 years old, or disabled if the homeowner meets eligibility criteria established by the county or municipal corporation.” The City should establish criteria that removes the most vulnerable Baltimore residents from tax sale. It is the City's most vulnerable residents who are impacted by tax sale year after year.

According to data from several legal services providers, tax sale prevention clients are overwhelmingly seniors, have an average household income of around \$17,000 per year and approximately 30% have a disability. These individuals are living on a very low fixed income and due to their disabilities, often have little hope of earning more in the future. Most have lived in their homes for 25 years or more and have nowhere else to go. Older adults and those with disabilities have also experienced the highest levels of severe complications Covid-19. Establishing criteria that removes these individuals from tax sale is a compassionate response that will also reduce the rate of homelessness and spread of illness. The Work Group urges the City to look into whether any federal or state sources of Covid-related funding could be used to support the removal of these individuals from tax sale.

**3) Allow customers who are delinquent to enter into payment plans and remove themselves from the tax sale list, provided they continue making payments.** The Tax Sale Work Group has long advocated for payment plans as a common sense way for the City to prevent tax sale of owner occupied properties, while also continuing to collect the revenue that it is owed. Such payment plans should include delinquent bills, as well as new taxes that will become due during the course of the payment plan, so that customers will remain current. Research has shown that customers are more likely to pay a bill that they can afford. While a \$1200 bill can be daunting, breaking that bill into regular \$100 payments will make it easier for the customer to budget and also more likely that they will pay. The City already manages payment plans, which are used for delinquent water bill and installment payments on property taxes. Adding this option for those who are delinquent and at risk of tax sale will greatly reduce the number of owner occupants at risk of tax sale *and* will result in collection of these unpaid taxes over time by the City.

**4) Increase awareness of the tax credits already available to homeowners and low income households.** The Homestead Tax Credit and Homeowners Tax Credit are some of the best kept secrets in Maryland. These credits can save low income households hundreds or even thousands of dollars on their annual property taxes, keeping them out of tax sale. While these credits have been available for years, very few low income households know about them. Programs, such as SOAR through Maryland Consumer Rights Coalition, are even available to help people with completing the tax credit applications. The Tax Sale Work Group recommends that the City undertake a widespread marketing campaign to ensure that homeowners and community advocates are aware of these programs and increase enrollment in these credits. The Work Group also recommends that the City provide resources for advocates to reach out to all homeowners who are removed from the tax sale list to offer support in completing these tax credit applications.

The Baltimore Tax Sale Work Group urges the City to pursue an equitable response to the Covid-19 crisis that takes public health into account. Further delaying the tax sale, removing the most vulnerable citizens from tax sale, creating a payment plan option and increasing tax credit awareness will make a difference for thousands of households who will be choosing whether to buy food or pay their delinquent tax bill to keep a roof over their heads in July.

Sincerely,



Margaret Henn  
Co-Chair, Tax Sale Work Group  
Director of Program Management  
Maryland Volunteer Lawyers Service



Daniel Ellis  
Co-Chair, Tax Sale Work Group  
Executive Director  
Neighborhood Housing Services of  
Baltimore

Cc: City Council President Brandon M. Scott; Council Members Zeke Cohen, Danielle McCray, Ryan Dorsey, Bill Henry, Isaac “Yitzy” Schleifer, Sharon Green Middleton, Leon F. Pinkett III, Kristerfer Burnett, John T. Bullock, Edward Reisinger, Eric Costello, Robert Stokes Sr., Shannon Sneed, and Mary Pat Clark; Director of Finance Henry J. Raymond; Director of Housing Michael Braverman

The following groups support this call to action: Maryland Volunteer Lawyers Service, Neighborhood Housing Services of Baltimore, Maryland Legal Aid, Fight Blight Bmore, Maryland Consumer Rights Coalition, Pro Bono Resource Center of Maryland