

From the Office of

ODETTE RAMOS

Councilwoman District 14



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100 N. Holliday Street, Room 506, Baltimore MD 21202

February 15, 2021

The Honorable Brandon M. Scott
Mayor, Baltimore City
100 N. Holliday Street
Baltimore, MD 21202

RE: Request to postpone this year's Tax Sale

Honorable Mayor Scott:

Thank you for your incredible leadership during your first few months in office. The fact that I only had a few snow concerns in my district speaks volumes! I am also getting the feeling among the agencies that "yes, let's try to figure it out," as opposed to "no we can't do that." This new feeling is refreshing and a direct result of your leadership. I am grateful for your passion for our city and your care to make it work for all of us.

I write today to follow up on my email to you dated January 14, 2021. I am humbly requesting that you and the Department of Finance move this year's tax lien sale to later in the year, or next year.

As you know, the COVID-19 pandemic has been a destabilizing force in our city - not just because of the health crisis - but also the residual economic impact. Under your leadership as City Council President, the City Council passed a measure to protect our renters by ensuring there are no late fees charged for late rent.

I am asking your support to help our homeowners. As you know tax sale is the process by which Maryland and 29 other states use to collect taxes. In my mind, it is a predatory process, and the victims are generally our older adults who no longer have mortgages or those who have inherited property and no longer have a mortgage. Once a homeowner with a tax bill over \$750 goes to tax sale, an investor purchases the lien so that the City has its money to continue its work. But the investor goes to the homeowners and demands the amount of the lien, 12% interest plus additional fees. A \$1,000 tax bill can become \$2500 in a matter of months. If that bill is not paid to the investor by next February, that elder could lose their home to foreclosure.

This year especially, many of our older adults have had a medical event likely due to COVID-19 or are helping their children or grandchildren to pay their own bills because they were laid off or otherwise impacted by COVID. I have one constituent who is over 65 and is on the tax sale list because she had multiple citations on her garage, but does not have the money to fix it. I have another constituent who is over 75 who helped her family pay their bills and now is in tax sale because she did not save enough for taxes.

I am asking for this move now, as opposed to closer to the May scheduled sale, because I would not want the City to start paying for advertising for a tax sale that may not happen this year.

In the 2020 tax sale, which was moved from May to July, 3,578 homeowners received the Final Bill and Legal Notice in February, and 1,475 homeowners went through the Tax Sale -172 from the 9th District which is the most, 149 in the 7th district, with 91 in my own district, and 67 in your old 2nd District. The chart attached has these statistics. I have also attached a map of where they all are, and you can guess where they are located generally in our Black and Brown neighborhoods. This practice disrupts family intergenerational wealth, puts undo stress on our elders, and destabilizes our neighborhoods.

Tax sales on homeowners is a process I have been advocating against for many years in my previous role. We put in place more protections for homeowners statewide and added more tools to address vacant properties cycling through the system. With your leadership, those tools have been implemented here.

Tax sales on properties that are vacant and abandoned are a different matter which we can discuss separately. Using the tax sale on vacant properties can be a tool for revitalization.

Given that, I offer a compromise. Please remove homeowners from tax sale this year, postponing until next year. This is Recommendation #3 from your Transition Team (page 38). The Department of Finance has the data on who is a homeowner and who is not. This way some funds can be collected from non-owner occupied properties. We can also begin to implement reforms in the legislation I have introduced and will introduce, as well as the legislation that Councilwoman McCray introduced last year and Council passed under your leadership.

Thank you for your time and consideration of this request. I look forward to working with you on reforms of this entire predatory system. I know your commitment to our communities, so for now, please protect homeowners from tax sale during this COVID crisis.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Odette', with a stylized flourish at the end.

Odette Ramos
Baltimore City Councilwoman District 14

CC: Michael Huber, Chief of Staff
Henry Raymond, Director of Finance
The Honorable Nick Mosby, City Council President

Chart 1. Tax Sales in 2020: Homeowners in tax sale by district.

<i>Council district</i>	<i>Advertised properties (#)</i>	<i>Mean lien amount (\$)</i>	<i>Properties scheduled for auction (#)</i>	<i>Owner occupied properties scheduled for auction (#)</i>
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

Map 1. Tax Sales in 2020: Location of scheduled tax sales

