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**Media Contact:**

Jen Lavella

Director of Marketing and Communications

410-951-7683 office

410-218-7313 cell

jlavella@mdlalab.org

**Maryland Legal Aid Sues Baltimore City Over Unconstitutional Tax Sale Auctions  
That Strip Wealth from Low-Income Residents**

BALTIMORE, MD, (July 2, 2024) – Today, Maryland Legal Aid (MLA) filed a lawsuit on behalf of the Edmondson Community Organization, Inc. (ECO), challenging the City’s annual property tax sale auction process that unconstitutionally strips equity from residents’ homes and businesses.

The lawsuit outlines the City’s practice of auctioning liens on properties with past-due taxes each spring through a mass online auction that fails to provide owners fair value for the properties they lose. The auction process severely harms Baltimore property owners, and the lawsuit challenges a number of the City’s auction practices, including:

- Charging a high-bid premium that penalizes bidders for making a fair bid for each property;
- Failing to establish a minimum bid to assure that property owners are fairly compensated for the properties they lose;
- Advertising 15,000 to 20,000 properties in a single list and auctioning all the properties in a closed-bid, online auction on a single day;
- Minimally advertising the properties subject to the sale; and
- Conducting tax sales in a manner that hinders competitive bidding.

These practices lead to properties being sold for a fraction of their actual value, which satisfies the City's interest in collecting taxes but deprives property owners of their equity without just compensation and frustrates the transfer of intergenerational wealth through property ownership.

The City's tax sale policy disproportionately harms Baltimore's most vulnerable populations, those facing financial hardship, with a significant impact on low-income Black and disabled homeowners. Yet, for all this pain, the City reaps only .003% of its revenue from tax sales.

ECO is a nonprofit dedicated to the rapid and equitable revitalization of Baltimore's Midtown Edmonson Community. The City's unconstitutional tax sale scheme has devastated ECO and its community, which has suffered for decades from redlining and disinvestment. After ECO temporarily lost its leadership and fell behind on its property taxes, the City sold ECO's principal asset, the building in which it held community meetings and events, at tax sale. The City sold ECO's building, on which it owed \$2,500 in property taxes, for \$5,115, to an out-of-state tax sale investor who then resold the building for \$139,500. ECO received none of that profit.

Through this action, ECO seeks not only compensation for the City's taking of ECO's property without just compensation, but also to protect its community members and reform Baltimore's tax sale system so that other Baltimore residents, particularly its most vulnerable citizens, are no longer harmed by the City's unconstitutional practices.

"This lawsuit is not just about ECO's loss, but the wider injustice faced by many in our community through a system that strips homeowners of their equity and generational wealth without fair compensation—all for a miniscule return to the City," said Maryland Legal Aid's Chief Legal and Advocacy Director Somil Trivedi, "We are fighting to ensure that our community's rights are protected and to bring about systemic changes that will benefit all low-income Marylanders." Maryland Legal Aid's Advocacy Director for Appellate and Impact Litigation, Lee Ogburn, added that, "This case builds on the principle confirmed by the United States Supreme Court just last year that 'a government may not take more from a taxpayer than she owes.' Baltimore City violated that principle when it took ECO's \$140,000 building for a \$2,500 tax bill and then offered ECO only \$2,500 for its loss. We seek to remedy the wrong to ECO and to stop the City's conduct that inflicts similar wrongs on the Edmondson community's members and other Baltimoreans."

"The tax sale has devastated communities like ours. It is perfectly built for sophisticated investors to rip the equity out of the hands of unsuspecting low-income folks who live here – and to do so in a fundamentally unfair – and we believe, unconstitutional way. It has left vacant houses and tangled titles everywhere in its wake," shared Edmondson Community Organization's President Joe Richardson, "The destruction has got to end now. We need a new common-sense, fairer system to protect the equity of the most vulnerable, and to allow communities like ours to thrive."

This case seeks equitable and actual relief and aims to prompt reforms in the City's approach to tax lien sales that will respect property owners' constitutional rights.

[Read the full complaint on our website:](#)

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### About Maryland Legal Aid

Maryland Legal Aid (MLA) is a statewide private, nonprofit law firm that provides free, civil legal services to low-income and vulnerable people to address their most fundamental legal problems. From its twelve offices around the state and through its many community-based clinics, we help our clients preserve and access safe and affordable housing, maintain custody of their children, and be safe from domestic violence. MLA increases our clients' economic security by defending against consumer debt, including foreclosures and tax sales, removing barriers to employment, and accessing critical income supports such as unemployment, food stamps and other vital public benefits. Through special projects, we represent seniors, nursing home residents, children in alleged abuse and neglect cases, migrant farmworkers, and those in mental health institutions. In its advocacy, MLA seeks systemic change through impact litigation, policy advocacy, and by telling our clients' compelling stories.

