



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

March 26, 2024

Committee: Senate Budget & Taxation

Bill: _____ HB 243 – Property Tax – Tax Sales – Revisions

Position: Oppose

Reason for Position:

The Maryland Municipal League opposes House Bill 243. While much of our opposition has been addressed by the House amendments, we remain opposed to the provision that bars a local government from using the tax sale process to recover water/sewer debt.

This is understandably more of a municipal problem than county, as the majority of public water and sewer systems are operated by municipalities. Under this legislation, a homeowner can accumulate \$1,000's of unpaid water/sewer bills. Without the ability to collect via the tax sale process, more jurisdictions may be forced to utilize water shutoffs if they haven't already prohibited the practice locally. Sewer cannot be shut off.

This is not a theoretical problem. The fiscal note contains 2022 tax sales data showing 578 “Owner-occupied Water/Sewer Liens Offered for Sale” in Maryland at an aggregate amount of \$570,840 (\$988 on average). Local government simply won't be able to recover those funds on a remotely reasonable timeline under HB 243, instead waiting for a second non-water/sewer lien amounting to \$1,000+ or sale of the property.

The League has worked with the General Assembly for decades to strike a balance on tax sales, both as the only meaningful tax collection tool afforded to local governments and to protect vulnerable homeowners. We have repeatedly supported the Homeowner Protection Program (HPP) and view it as a much better solution to the concerns this provision seeks to address.

Information on the “exciting future” of HPP and a number of other recent reforms can be found in the [2023 Annual Maryland Tax Sale Report](#).

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For these reasons the League respectfully requests that this committee provide House Bill 243 with an unfavorable report or remove the inclusion of municipalities to 14-849.1 on page 11 of the reprint.

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