



## House Bill 59

### *Property Tax – Tax Sales – Revisions*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 27, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 59 as amended by the House. The bill proposes reforms to Maryland’s tax sale process to protect vulnerable homeowners and improve transparency. MACo supports the House amendments and urges the Committee to retain them.

The tax sale process — or, more precisely, the potential for a property to go to tax sale — remains a tool of last resort to ensure that property owners meet their obligations for taxes and charges connected to public services. This mechanism promotes fairness and protects local governments' fiscal stability in delivering essential services.

MACo has consistently supported policies that offer homeowners better access to information, counseling, and structured support. Counties backed the creation of the Homeowner Protection Program and have supported various measures to make the tax sale process more equitable and responsive.

As introduced, HB 59 would have prohibited the sale of residential properties based solely on unpaid water and sewer charges. Counties strongly opposed this provision, as it would have removed the only effective enforcement tool for collecting payment tied to critical infrastructure. The House amendments remove this language — a necessary correction to preserve the integrity of local enterprise funds and ensure continued delivery of essential water and sewer services.

The amended bill maintains provisions that: raise the tax sale threshold from \$750 to \$1,000 for owner-occupied properties; modify interest rates on redemption; and add recordkeeping requirements. While these changes present some administrative challenges — especially in jurisdictions without systems distinguishing property types — counties remain committed to implementing reforms that strike a fair balance between homeowner protection and fiscal responsibility.

MACo supports the House amendments and urges the Committee to adopt them. With these changes, HB 59 represents a more balanced and sustainable approach to tax sale reform.

For these reasons, MACo urges the Committee to issue a **FAVORABLE** report on HB 59 in its current form.