



## House Bill 1196

### *Tax Sales – Alternative Collection Programs*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 30, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1196, as it would grant counties broad discretion to establish criteria for withholding properties from tax sale, which could help minimize tax collection costs, assist with the payment of overdue taxes, and ultimately allow homeowners to remain in their homes.

The tax sale process, or more specifically the potential for a property to go to tax sale, presents a much-needed tool of last resort to ensure that property owners remit payment for their fair share of taxes and charges connected to public services. Of course, no jurisdiction wants to send any property to tax sale if it can be avoided.

Under current law, local governments may withhold from tax sale a dwelling owned by a low-income homeowner, at least 65 years old, or disabled if the homeowner meets specified eligibility criteria. HB 1196 would allow local governments to withhold from tax sale properties that meet objective criteria established by local law or properties enrolled in a payment program established by local ordinance. In addition, the bill would authorize local governments to cancel or postpone a tax sale during a state of emergency.

MACo strongly prefers that homeowners receive all counseling, education, information, and support which may be available to them and additional assistance when appropriate, to help them pay on time and avoid going through tax sale. To that end, MACo supports this bill as a wise approach to facilitating access to support services at the time when it is most helpful.

For these reasons, MACo requests a **FAVORABLE** report on HB 1196.