



House Bill 16

Tax Sales - Homeowner Protection Program - Funding

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Ways and Means Committee

Date: February 1, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 16 **WITH AMENDMENTS**. This bill increases awareness of and establishes a new funding source for the Homeowner Protection Program (HPP). The Program is one of the most effective tools to help homeowners facing tax sale, offering potential cost avoidance and providing help like payment assistance, foreclosure mediation, and other services. MACo seeks amendments to further bolster the program.

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.

HB 16 requires the state tax ombudsman to design and provide inserts describing and soliciting voluntary donations for the HPP for local governments to include in property tax invoices. In addition, the bill sets a nominal fee for each certificate purchased at tax sale to ensure the program can deliver on its mission.

MACo strongly prefers that homeowners receive all counseling, education, information, support, and additional assistance, when appropriate, to help them pay on time and avoid going through tax sale. To that end, MACo supported legislation to establish this program and sees this bill as a logical next step for safeguarding access to support services at the time when it is most helpful.

Under current law, the HPP receives \$75,000 in statutory funding for fiscal 2023 through fiscal 2025, in addition to a supplemental appropriation in fiscal 2023. According to the state tax ombudsman, the HPP anticipates full enrollment of approximately 75 homeowners in fiscal 2024, increasing to 125 in fiscal 2025.

Without a dedicated funding source, those numbers are expected to remain stagnant through fiscal 2028. As such, MACo urges the Committee to provide additional state support for the program to ensure more Marylanders can avoid the private tax lien process and instead access resources through the HPP.

Accordingly, MACo urges a **FAVORABLE WITH AMENDMENTS** report on HB 16.