

Board of County Commissioners

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Carroll County Government

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February 3, 2025

The Honorable Guy Guzzone, Chair
Senate Budget & Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Guzzone and Members of the Committee:

We write in support of **SB 415: Carroll County - Office of Permits and Inspections - Denial of Commercial Permit or License for Unpaid Personal Property Taxes**, sponsored by the Carroll County Senators on our behalf. This bill provides the County Comptroller with an additional tool to collect delinquent personal property taxes from businesses applying for commercial permits or licenses.

SB 415 requires businesses in Carroll County to pay all outstanding personal property taxes before obtaining or renewing a commercial permit or license. If the Office of Permits and Licenses and the Comptroller's office determine that a business has unpaid taxes, the permit or license will be denied.

On September 21, 2023, the Carroll County Board of Commissioners approved a policy to withhold permits from businesses with unpaid personal property taxes. However, Carroll County currently lacks an efficient enforcement mechanism, allowing businesses to operate without penalty despite failing to pay their taxes. The only available enforcement method requires costly and time-consuming court proceedings, often resulting in the sale of equipment with little to no value.

The County already has the authority to withhold trader's and liquor licenses for unpaid personal property taxes. Expanding this requirement to all commercial permits would ensure fair treatment of all businesses, eliminate costly legal actions, and improve tax collection efficiency.

In FY23, the Comptroller's Office contacted the Board of Commissioners regarding personal property tax bills over \$5,000, resulting in six accounts being written off, totaling \$58,356.07. Additionally, 121 delinquent accounts under \$5,000 were written off, amounting to \$67,626.07, with some dating back to FY14.

Currently, Carroll County has 130 outstanding personal property tax bills from unique businesses, spanning from 2008 to 2022. Cross-referencing these businesses with permit applications reveals that 43 of them could potentially obtain permits despite their outstanding tax debt.

This legislation is a matter of basic fairness to the many businesses that fulfill their tax obligations while others continue operating without penalty. SB 415 promotes accountability, reduces administrative burdens, and ensures that businesses in Carroll County contribute their fair share.

For these reasons, the Board respectfully requests a **FAVORABLE report on SB 415.**

Sincerely,

THE BOARD OF COUNTY COMMISSIONERS OF CARROLL COUNTY



Kenneth A. Kiler
President



Joseph A. Vigliotti
Vice President



Thomas S. Gordon III



Michael R. Guerin



Edward C. Rothstein (COL, Ret.)