



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

January 28, 2025

Committee: House Way & Means Committee

Bill: HB 59 – Property Tax – Tax Sales – Revisions

Position: Oppose

Reason for Position:

The Maryland Municipal League opposes HB 59 as introduced, largely due to the provision that bars local governments from using the tax sale process to recover water/sewer debt.

The League appreciates the Department's intent to protect homeowners and keep them in their homes where possible. MML 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.

HB 59 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 thousands in 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. As an enterprise fund, water and sewer rates are established only to cover the costs of operating the service. A decrease in local ability to collect outstanding debts may also lead to a rate increase for other residents

This is not a theoretical problem. Last year's fiscal note contained 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 reasonable timeline under HB 59, instead waiting for a second non-water/sewer lien amounting to \$1,000+ or sale of the property.



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For these reasons the League respectfully requests that this committee provide House Bill 59 with an unfavorable report or remove the inclusion of municipalities in 14-811 (b)(3).

FOR MORE INFORMATION CONTACT:

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