MSATP
MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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March 31, 2026

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

Maryland Society of Accounting and Tax Professionals

Re: House Bill 1149 – State Finance – Claims of the State – Settlement

Chair Guzzone and Members of the Committee,
The Maryland Society of Accounting and Tax Professionals represents over 1,400 tax and accounting professionals who collectively serve more than 400,000 Maryland taxpayers and small businesses. We respectfully submit this testimony in support of House Bill 1149.

House Bill 1149 authorizes the Comptroller to settle a claim of the State that is in arrears, regardless of how long the claim has been outstanding. Under current law, settlement authority is limited by a time requirement. This bill removes that limitation while preserving safeguards requiring the Comptroller to thoroughly examine the claim and determine that the State could not collect it through legal process before settlement.

This legislation is the direct result of an advocacy meeting between MSATP members and Delegate Young. During that discussion, practitioners shared real-world examples of situations where rigid statutory limitations prevented practical resolutions of long-standing State claims. In many cases, taxpayers are willing to resolve matters in good faith, yet administrative barriers prevent efficient settlement.

By allowing flexibility regardless of how long a claim has been in arrears, HB 1149:

- Promotes efficient resolution of outstanding State claims
- Encourages voluntary compliance and negotiated settlements
- Reduces prolonged collection efforts that may ultimately yield little recovery
- Allows the State to recover funds that might otherwise remain uncollected
- Provides fairness and finality for taxpayers seeking resolution

Importantly, the bill does not weaken oversight. The Comptroller must still examine the claim thoroughly and determine that legal collection is unlikely before settlement, and must maintain records supporting any partial settlement. These safeguards ensure that settlements serve the interests of the State while maintaining accountability.

From both a fiscal and administrative standpoint, this bill strengthens Maryland's ability to manage aged receivables pragmatically and responsibly.

For these reasons, the Maryland Society of Accounting and Tax Professionals respectfully urges a Favorable Report on House Bill 1149.

Respectfully submitted,

Giavante Hawkins

Giavante' Hawkins