



House Bill 366

Tax Sales – Delinquent Water Bills - Prohibition

MACo Position: **OPPOSE**

To: Environment and Transportation Committee

Date: February 24, 2015

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** HB 366. This bill would change the definition of “tax” to exclude liens against real property for unpaid water and sewer charges, and prohibit Baltimore City from selling a property at tax sale just for these charges.

MACo has supported efforts to provide additional homeowner protections and to improve the fairness and accountability of the tax sale process. All property owners deserve full and adequate notice of any collection efforts to collect taxes or charges assessed on the property. However, the fair application of public taxes and charges necessitates that they be paid by all taxpayers. Sporadic or uneven implementation simply permits some to avoid paying while the vast majority bears their fair share of the costs of public services.

This bill has severe statewide consequences as changing the definition of “tax” would undermine tax collections in all local jurisdictions. Even if the impetus of HB 366 is to reframe Baltimore City’s tax sale practices for unpaid water and sewer charges, the bill has statewide negative effect. Should this bill pass, Baltimore City would be able to enforce a lien for unpaid water and sewer bills as long as the property was being sold to enforce another lien, but the remaining 23 counties would be totally unable to collect unpaid water and sewer bills through the tax sale process.

The tax sale process, or more specifically the potential for a property to go to tax sale, presents a much-needed device to ensure that property owners remit payment for their fair share of taxes and charges connected to public services. HB 366 removes this leverage for Baltimore City and the 23 counties, and undoubtedly would create many more deficient accounts for water and sewer bills from lack of enforcement – leading to increased rates on citizens who properly pay.

HB 366 undermines local government’s most effective collection tool for public taxes and charges, and would lead to greater delinquency and default on public water and sewer bills. For this reason, MACo **OPPOSES** HB 366 and urges an **UNFAVORABLE** report.