



House Bill 610

Maryland Income Tax Refunds – Warrant Intercept Program

MACo Position: **SUPPORT WITH AMENDMENTS**

Date: February 25, 2014

To: Ways and Means Committee

From: Natasha Mehu

The Maryland Association of Counties **SUPPORTS** House Bill 610 **WITH AMENDMENTS**. This bill mandates that each county's law enforcement agency submit information to the Comptroller to pursue a tax refund intercept program to target individuals with certain outstanding warrants. MACo suggests that a local option by the county governing body would be the best means to introduce this program statewide, and recommends that amendment.

An income tax interception program can provide a useful tool to help clear warrants and help resolve outstanding judicial issues. According to the Comptroller's Office, there are an estimated 200,000 outstanding warrants statewide. Many of these individuals are unaware they have an outstanding warrant and would actually benefit from this program. The bill may also assist the officials charged with serving warrants by decreasing expenditures related to the serving and processing of warrants – experience backed by the pilot in Anne Arundel County. In Anne Arundel County, there were over 8,000 outstanding warrants during the first year of the pilot program with about 3,000 that could be linked to the tax system.

While the goals of HB 610 are laudable and the pilot program has had success, MACo strongly believes that participation in a tax refund intercept program should be a decision for the local governing body, not a mandate. Other counties may benefit from implementing the program, but that is dependent on their ability and interest to do so. The local governing body is in the best position to determine if the program would be efficient and effective within their jurisdiction.

HB 610 would apply a tax refund intercept program across each jurisdiction, but does so without local buy-in. MACo believes that an opt-in program based on the local governing bodies' determination as to participation in the program is best. For these reasons, MACo respectfully requests a **FAVORABLE** report **WITH AMENDMENTS** on HB 610.