



Senate Bill 179

Property Tax – Notice of Tax Bill Address Change – Prohibition of Sale

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: January 29, 2014

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **OPPOSES** SB 179. This bill establishes a local government-based process to allow an owner of real property to request property tax bills be sent to an address other than the actual address of the real property. The bill would also allow anyone with an interest in the real property to request a copy of the tax bill, and prohibit a property from being sold at tax sale if the taxing authority was not compliant with the notification provisions.

SB 179 presents significant fiscal and administrative challenges for local governments. Under current law, the State Department of Assessments and Taxation (SDAT) is required to maintain a system of accounts for tax billing purposes. As a part of this responsibility, SDAT is responsible for updating and correcting addresses in the system, and sending tax files to each local government tax office for the processing and mailing of tax bills. Each local government receives a main billing file to mail tax bills in July, and then receives monthly address updates. With the exception of Baltimore City, no county has the authority to change property information in the system of accounts. Baltimore City maintains an address file and sends it to SDAT.

SB 179 would completely alter this process and force local governments to establish a process for the notification and processing of address changes. In doing so, a local government would be required to receive address changes and confirm the new tax billing address requested is accurate by notifying the owner at the address of the real property and giving 30 days notice for a written objection. Local governments would then need to maintain their own address files to be merged in some manner with the SDAT file to generate and mail tax bills. Local governments would incur significant programming costs to construct such a system. Additional staff would also be needed in most jurisdictions to handle this process.

Further complicating the process, SB 179 allows anyone with an interest in the property to request a copy of a tax bill. Local governments' tax billing systems are only equipped to print

one copy of a tax bill and that is to the owner of the property based on the address in the SDAT system of accounts. Although, Baltimore City's system can generate two tax bills, all local governments would incur a considerable expense to reprogram their systems to print multiple tax bill requests.

Lastly, if a local government does not comply with the notification process outlined in this legislation, the property would be prohibited from going to tax sale. The tax sale process presents a much-needed device to ensure that property owners remit payment for their fair share of taxes and charges connected to public services. MACo respectfully requests that actions not be taken to compromise this process.

For these reasons, MACo urges the Committee to give SB 179 an **UNFAVORABLE** report.