



House Bill 979

Tax Sales - Homeowner Protection Program - Automatic Enrollment and Funding

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: March 1, 2022

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 979, as it would streamline access and ensure proper funding for the Homeowners Protection Program, which offers eligible homeowners facing tax sale potential cost avoidance, and provide help like payment assistance, foreclosure mediation, and other services.

The tax sale process, or more specifically the potential for a property to go to tax sale, presents a much-needed tool of last resort to ensure that property owners remit payment for their fair share of taxes and charges connected to public services. Of course, no jurisdiction wants to send any property to tax sale if it can be avoided.

HB 979 would require the State Department of Assessments and Taxation to automatically enroll eligible individuals in the Homeowner Protection Program. In addition, the bill would require a one-time State appropriation of \$20 million to ensure the program can deliver on its mission to divert homeowners from the private tax lien process, minimize tax collection costs, assist with the payment of overdue taxes, and ultimately allow homeowners to remain in their homes.

MACo strongly prefers that homeowners receive all counseling, education, information, and support which may be available to them, and additional assistance when appropriate, to help them pay on time and avoid going through tax sale. To that end, MACo supported legislation to establish this program, and sees this bill as a logical next step for safeguarding access to support services at the time when it is most helpful.

Counties have a vested interest in maintaining their most effective collection tool, which provides certainty for local budgets, protects funding for essential services, and establishes a level playing field for property owners. As such, MACo appreciates that the Homeowner Protection Program balances the interests of property owners, investors, and local governments.

For these reasons, MACo requests a **FAVORABLE** report on HB 979.