



House Bill 753

Tax Sales - Homeowner Protections - Revisions

MACo Position: **SUPPORT
WITH AMENDMENTS**

Date: February 17, 2026

To: Ways and Means Committee

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS HB 753 WITH AMENDMENTS**.

HB 753 proposes various changes to Maryland's tax sale system that aim to bolster homeowner protections and expand access to the Homeowner Protection Program. **MACo supports the bill's overall goal but urges amendments to avoid a significant unfunded mandate and to protect enterprise funds for water and sewer systems, which depend on timely revenue to maintain and deliver critical services.**

The tax sale process, or more specifically, the risk that a property may be subject to a tax sale, provides a much-needed last resort to ensure that property owners remit payment for their fair share of taxes and charges related to public services. Broad tax compliance promotes fairness among dutiful taxpayers.

MACo strongly prefers that homeowners receive all counseling, education, information, support, and additional assistance, when appropriate, to help them pay on time and avoid tax sale. To that end, MACo has supported legislation establishing the Homeowner Protection Program and several bills to reform the tax sale process to ensure its fairness.

Under the bill, local governments must withhold specified owner-occupied properties from tax sale if the owner provides documentation of a terminal illness or medical hardship. The bill also expands eligibility for the Homeowner Protection Program by raising the assessed-value threshold from \$300,000 to \$450,000 and prioritizing homeowners with documented medical hardship.

Counties would need to review documentation, confirm eligibility, track qualifying properties over time, and manage additional communications with property owners. The bill ties eligibility to individualized proof, such as medical certifications, creating an ongoing verification and recordkeeping role that county tax collectors do not currently perform in the tax sale process. This workload could grow quickly, especially for counties with limited staffing or tax sale systems that cannot easily flag, track, and update these new classifications.

The bill would also delay collections by keeping more dwellings out of the tax sale process. That shift could affect a significant number of properties, increasing uncertainty in local collections and allowing delinquencies to grow. It also raises concerns for water and sewer systems, which operate as enterprise funds and rely on timely customer payments. By delaying enforcement, unpaid balances can accumulate, making the eventual bill harder for homeowners to resolve and increasing the risk to local utility systems.

As such, MACo requests amendments to authorize, rather than require, local governments to withhold additional properties from tax sale based on medical hardship or similar individualized criteria.

Counties continue to support reforms to the tax sale process. Still, amendments are necessary to prevent a significant unfunded mandate, avoid disruptions to county enterprise funds, and reduce additional burdens on homeowners. Accordingly, MACo urges the Committee to issue a **FAVORABLE WITH AMENDMENTS** report on HB 753.