



Tax Sales Task Force Issues Final Report February 2018

On January 18, 2018, the task force to study tax sales in Maryland (task force) issued its final [Report](#) in response to HB 659 and SB 823 from the 2017 General Assembly (together these bills are Chapter 616).

HB 659/SB 823 charged the task force with submitting a report on its findings and recommendations after evaluating: the impact of tax sales in Maryland; how tax sales are conducted in each county; and how tax sales are used to collect delinquent water charges and whether there are alternative methods for collecting these charges.

MAMWA served on the task force to review any recommendations made that could potentially impact the use of tax sales to collect unpaid water and/or wastewater bills. Although some MAMWA Members rely entirely on water disconnections or collections to recoup unpaid bills, there are other Members who do use tax sales when the situation warrants (for example, if a property is served by well water that cannot be disconnected for non-payment).

MAMWA served alongside 17 other members including: Delegate Adelaide Eckardt, Delegate Jay Walker, Senator Bill Ferguson, Delegate Jason Buckel, J. Hunter Pickels (Maryland Department of Housing and Community Development), Karen Stokes (City of Baltimore), Cindy Smith (Dorchester County), Linda Allen (Prince George's County), Brynja M. Booth (MML), Barbara Zektick (MACO), Kim Graziani (Center for Community Progress), Dan Ellis (Baltimore NHS and Community Development Network of Maryland), Odette Ramos (Community Development Network of Maryland), Heidi Kenny (Maryland Multifamily Housing Association), Michael Cantrell (Maryland State Bar Association), Bradley Westover (National Tax Lien Association), and Aaron Naiman (Maryland Tax Sale Participants Association). Here are the specific recommendations that relate to water and/wastewater utility service:

Water Shut-Offs for Vacant Property -- Enable and encourage jurisdictions to shut off water if the property is deemed vacant and abandoned. Allowing shut-offs would prevent water bills from continuing to accrue for a vacant property, which, in turn would benefit the homeowner. Some task force members expressed concerns about shut offs impacting fire suppression, but the report notes that legally required fire suppression must be served by a separate connection.



Homeowner Notice – Provide information to delinquent homeowners to allow them to avert tax sale. The jurisdiction sending a late notice for taxes, waster, etc. would also send information regarding assistance from community organizations. Some members of the tax force expressed concerns about the cost involved for additional notices.

Higher Threshold for Tax Sales – Enable jurisdictions to set the minimum threshold in which properties are removed from tax sale (except Baltimore City). This would allow a jurisdiction to increase the current \$250 that triggers a tax sale to \$750 (Baltimore City’s threshold is already at this level).

Water Affordability Programs – Enable water affordability programs. Jurisdictions may be interested in using the WSSC Customer Affordability Program as a model.

Payment Plans – Encourage jurisdictions and water and sewer systems to have payment plans. Some jurisdictions already have these in place.

Round Up Programs – Enable jurisdictions to create “round up” policies. This would allow other ratepayers to round up their payment to help others pay their bills.