

**CDN HB897 FAVORABLE CO.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony HB 897**  
**Budget and Taxation Committee**  
**March 28, 2023**  
**Position: FAVORABLE**

Dear Chairman Guzzone and Members of the Budget and Taxation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities.

CDN has been part of the ongoing work to reform the process of tax sale in the state since 2016. In 2017, CDN was a lead partner in the Task Force to Study Tax Sales in Maryland. CDN currently serves on the Baltimore City Mayor's Tax Sale Workgroup in Baltimore City.

HB 897 – Altering the application requirements for the homeowners' tax credit to allow homeowners with certain types of income to file an application every 3 years, subject to a certain certification requirement.

Most of the people in the state impacted by tax sale are older, single, African American women living at or below the poverty line. In 2022, the average amount owed was under \$3000. Though most of the homeowners were eligible for the Homeowner's Tax Credit Program, many had applied or were aware of the program. For these vulnerable homeowners, the tax sale has stripped away generational wealth and housing stability.

Over the years, Maryland has enacted more consumer-friendly policy to prevent the poorest homeowners from losing their houses. These improvements include higher thresholds for tax sale, removal of water bills, and the appointment of a public ombudsman to help owner occupants keep their homes. Allowing homeowners with social security and disability income to file and application every three years would help more older adult residents to retain homeownership and save generational wealth for them to pass on to their family members.

We urge your favorable report for HB 897.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

**HB0897 Crossover.docx.pdf**

Uploaded by: Director Michael Higgs

Position: FAV

**WES MOORE**  
Governor

**ARUNA MILLER**  
Lt. Governor



**MICHAEL HIGGS**  
Director

**MARCUS ALZONA**  
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**HEARING DATE:** March 28, 2023

**BILL:** HB0897

**TITLE:** Homeowners' Property Tax Credit - Qualified Homeowner - Application and Certification Requirements

**SDAT POSITION:** SUPPORT

HB0897 would reduce the amount of paperwork that certain applicants will need to submit to the State Department of Assessments and Taxation (SDAT) for the Homeowners' Tax Credit.

For applicants who continue to have income solely from social security, a pension, or an annuity, and have met other requirements, the Department will permit the applicants to submit a "mini" application every second and third year.

This bill is the result of several years of ongoing work led by the sponsor to streamline the Homeowners' Tax Credit application process.

For these reasons, SDAT strongly urges a favorable vote on HB0897.

# **HB 897 Economic Action MD Testimony 2023 Crossover**

Uploaded by: Isadora Stern

Position: FAV



Testimony to the Senate Budget & Taxation Committee

HB 897: Homeowners' Property Tax Credit - Qualified Homeowner - Application and Certification Requirements  
Position: Favorable

March 28, 2023

The Honorable Guy Guzzone, Chair  
Senate Budget and Taxation Committee  
3 West, Miller Senate Office Building  
Annapolis, MD 21401  
cc: Senate Budget and Taxation Committee

Chair Guzzone and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are in strong support of HB 897, which allows homeowners who qualify for the Homeowners Tax Credit to be presumed eligible for a three year period before having to re-apply for the tax credit.

For the past six years, Economic Action Maryland's SOAR (Securing Older Adult Resources) program has led efforts to promote the Homeowners' and Renters' Tax Credits. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2022, Economic Action Maryland returned an expected \$480, 429 in homeowners and renters tax credits to financially fragile older adults.

We remind homeowners each year that they must reapply for the Homeowners Tax Credit and many do, but not everyone does-missing out on valuable credits. Some may confuse the annual Homeowners Tax Credit with the one-time Homestead Tax Credit. Others, as they age, experience memory loss and may lose out on this valuable credit due to the natural consequences of aging.

For our own work, our efforts to reach out, remind, and assist our current clients in completing their Homeowners Tax Credit limits our ability to take on new clients and expand awareness of and assistance with completing this tax credit thus, limiting the number of older adults who receive this benefit.

In the past year, inflation has been at a 40 year high and as a recent [Washington Post](#) article notes these soaring prices are increasing the precarity of many older adults,



particularly those living on a fixed income. UMASS Boston's [Elder Index](#) found that older adult homeowners in Maryland need \$41,736 a year to live independently which is 115% higher than the national average. The Homeowners Tax Credit is an important tool in assisting older adults in reaching the amount they need to live independently.

HB 897 will ensure more older adults receive this credit by reducing burdensome re-application while still ensuring that they meet the income eligibility requirements. It will also allow Economic Action Maryland and other nonprofits to use our limited staff capacity to reach new applicants and expand the use of this credit which benefits more financially fragile older adults statewide.

For all of these reasons, we support HB 897 and urge a favorable report.

Sincerely,  
Isadora Stern  
Policy Manager

# **House Bill 897 – Homeowners Property Tax Credit -**

Uploaded by: Julie Appelstein

Position: FAV





**House Bill 897 – Homeowners Property Tax Credit – Qualified Application and Certification Requirements**

**Position: Support**

Maryland REALTORS® supports HB 897 which would modify the current application requirements associated with the Homeowners Property Tax Credit among individuals whose incomes are limited to their social security benefits, pensions, or annuities.

Currently, to be eligible to receive the Homeowners Property Tax Credit, individuals are required to reapply for the tax incentive on an annual basis and certify their gross income. This bill would allow individuals whose gross income is limited to social security benefits, pensions, and annuities to receive the credit for three years before they would have to reapply, provided they certify their income on an annual basis.

REALTORS® support efforts to reduce the amount of time and unnecessary paperwork required to take advantage of this tax credit; and therefore, request a favorable report on House Bill 897.

**For more information contact [lisa.may@mdrealtor.org](mailto:lisa.may@mdrealtor.org) or [christa.mcgee@mdrealtor.org](mailto:christa.mcgee@mdrealtor.org)**

# **House Bill 897 \_ Hearing on 3.28.23 - FINAL Writte**

Uploaded by: Lorna Henry

Position: FAV



**MARYLAND  
LEGAL AID**

*Advancing*  
**Human Rights and  
Justice for All**

**03/27/23**

**House Bill 0897**

**Homeowners' Property Tax Credit - Qualified Homeowner –  
Application and Certification Requirements**

In the Senate Budget & Taxation Committee

Hearing on March 28, 2023

**Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written testimony on HB 0897 at the request of Delegate Jessica Feldmark.*

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters including housing, family law, public benefits, bankruptcy and other debt collection matters, as well as criminal record expungements.

Maryland Legal Aid asks that the Committee report **favorably** on HB 0897.

HB 0897 allows homeowners whose gross income includes income only from Social Security benefits, pension, or an annuity to automatically qualify for the Homeowners' Property Tax Credit. This bill also requires that such homeowners apply only once every three years rather than every year in order to receive the credit. For any year in which an application is not required, the homeowner would certify that their gross income information has not changed.

MLA represents many low-income clients with tax sale, housing and foreclosure issues across the State of Maryland. The majority of MLA clients are eligible for the Homeowners' Property Tax Credit, which significantly reduces, if not eliminates, their property tax bill and often prevents their homes from going into foreclosure or tax sale. Notably, MLA also has elderly and disabled clients who face foreclosure or tax sale simply because they forgot to reapply for the tax credit. MLA attorneys attempt to prevent this from happening by sending out the application with instructions every year, but some clients still forget or are unable to apply and they have no one to assist them with their financial affairs.

One of MLA's clients, an 80-year-old resident taking care of her disabled son, had contacted MLA to find out why her mortgage payment increased by an additional \$500 each month. She owned her home for over 15 years and was current on her mortgage. However, she had not applied for the Homeowners' Property Tax Credit in the prior year and did not realize that was the sole reason for the drastic increase in her mortgage payment. Due to this unexpected increase, she became very concerned that she would

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no longer be able to afford her home since she was on a fixed income. MLA explained to the client the reason for the increase in her mortgage payment and assisted her in resolving this situation.

HB 0897 reduces the likelihood that this situation would happen again to MLA's client or any other qualified homeowner under this bill. This legislation requires that a homeowner submit the application once every three years, as long as they continue to qualify financially. This prevents an eligible homeowner from being penalized for simply failing to resubmit their application and makes it easier for all homeowners to receive the tax credit which is designed to make homeownership more affordable.

Additionally, many low-income homeowners with no mortgage or escrow account miss the deadline to reapply for the tax credit. Elderly homeowners with home equity conversion mortgages or reverse mortgages also fail to apply for this program and may face foreclosure, because failure to remain current on property taxes is a default which can result in the loss of their homes. HB 0897 helps homeowners and would also assist lenders and local governments by preventing residential properties from falling into tax sale and mortgage foreclosure.

This bill is a crucial piece of legislation that will stem the tide of housing loss across the State, especially for some of our most vulnerable residents.

**Maryland Legal Aid urges the Committee to issue a FAVORABLE report on HB 0897.**

If you have any questions, please contact Lorna Henry, Staff Attorney, (410) 951-7652, [Lhenry@mdlal.org](mailto:Lhenry@mdlal.org).

# **HB897\_Habitat\_Chesapeake 3-27-2023.pdf**

Uploaded by: Mike Posko

Position: FAV

**Testimony  
HB 897  
Ways and Means Committee  
March 27, 2023  
Position: FAVORABLE**

Dear Chair Guzzuone and Members of the Budget and Taxation Committee:

For 40 years, Habitat for Humanity of the Chesapeake has been a catalyst for moving low-income families out of poverty toward more prosperous, stable futures through affordable homeownership. By bringing people together to build homes, communities, and inspire hope, we settled 789 families into energy-efficient, affordable homes with zero-interest mortgages. This positively impacted the lives of more than 3,000 partner family members (more than half of whom are children), involved more than 1,200 volunteers annually and impacted hundreds of other community residents who benefit from safer, more vital communities as homeownership rates increase.

We aim to give our homebuyers the tools for long-term success, with our program inclusion of an extensive, fifty-hour long homeowner education curriculum. Budgeting is key in our classes with homebuyers, as is an emphasis on applying for homeowner tax credits in every tax season. We send a newsletter to all of our homebuyers each winter that includes the reminder to apply for the credit and provide ongoing support for our homeowners to ensure their complete applications.

We have found that our reminder to apply for the credit are a welcome gesture. For a span of years, we served as a VITA site with the CASH Campaign of Maryland for tax preparation for our homeowners, and any community members who fit the income limits free tax prep. In our time, we served several thousand taxpayers with this service, and saw that some people applying through CASH had no knowledge of the tax benefits available to them.

The provision in HB897 income-qualified homeowners to apply for the Homeowner Property Tax Credit every three years would be a huge step forward for eligible homeowners, and would simplify timely application for the credit.

In our experience, many of our lowest income earners rely on the receipt of the Homeowner's Property Tax Credit annually to ensure the continued affordability of their home. We have also

found property tax increases to be the primary reason provided when a homeowner falls behind on their mortgage payments. Ensuring the easiest avenue possible to reapply is key.

Additionally, we recommend further analysis on the inclusion of total household income in the calculation of the tax credit. We would ask that income consideration be made to focus on the owner of record, or only focus on total household income if certain conditions are met. At present, even the common occurrence of an adult child going to live at home with their parent(s) can mean an inclusion of income that, while not large enough to make a difference in the household, is just enough to exceed the income cap of \$60,000, rendering the credit impossible for use by a single head of household, lower-income applicant.

HB897 will enable a clearer and direct path toward proper tax filing for these tax benefits already in place.

We respectfully request a favorable report for HB 897.

Sincerely,



Mike Posko  
Chief Executive Officer