

# Written Testimony - SB 283 - Attestation of Gross

Uploaded by: Allison Harris

Position: FAV



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**SB 283**  
**HOMEOWNERS' PROPERTY TAX CREDIT - APPLICATION - ATTESTATION OF GROSS INCOME**  
**HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE**  
**January 17, 2024**  
**POSITION: SUPPORT**

**The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and is deeply involved in direct legal aid for the most vulnerable in our state. PBRC supports SB 283 because very low-income homeowners would benefit from a simpler process to access Homeowners’ Tax Credit to help prevent the loss of their homes.**

Over the past nine years, PBRC has assisted nearly 800 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes. The clients served by our tax sale prevention clinics held in Baltimore in 2023 represented some of our state’s most vulnerable citizens: 60% were seniors, 30% were disabled, 72% identify as Black, and 78% reported annual household incomes of less than \$30,000. Through the advocacy of volunteer attorneys, many of these clients can access programs and credits that reduce their property tax burden allowing them to stay in their homes. However, most Maryland homeowners are unrepresented.

Many low-income homeowners are only able to afford their property taxes with the assistance of the Homeowners’ Property Tax Credit, which generally requires income documentation in the form of a tax return with the application and proof of income if no return is filed. However, large numbers of eligible homeowners piece together money from different, informal sources to make ends meet and often cannot produce such documentation to complete the application. We know that failure to apply for the credit lands homeowners in tax sale. Allowing certain very low-income homeowners who are not required to file tax returns to submit an affidavit of income in lieu of documentation would enable far more homeowners to access the credit, pay their taxes, avoid tax sale foreclosure, and keep their homes and the equity their families have worked to build.

PBRC supports SB 283, which may protect certain Marylanders from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth while stabilizing communities. Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on SB 283.**

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.

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**CDN SB 283 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony SB 283**  
**BUDGET and TAXATION COMMITTEE**  
**January 17, 2024**  
**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 envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

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. CDN helped to establish the Homeowner Protection Program in Maryland and we are excited by its progress.

SB 283 authorizes an applicant for the homeowners' property tax credit to attest to gross income on an application in lieu of providing an income tax return to the State Department of Assessments and Taxation.

Most of the people in the state impacted by tax sale foreclosure are older, single, African American women living at or below the poverty line who owe less than \$3000. Few are aware of the state Homeowner's Tax Credit, the state Homestead Tax Credit, the Homeowner's Protection Program, or the housing and financial counselors and legal service providers available to help them apply for the programs.

Many of these homeowners do not file income taxes as they are dependent on social security and disability income. The requirement of an income tax return complicates their application for assistance. This is a barrier to a vulnerable population accessing services and preserving generational wealth.

We urge your favorable report for SB 283.

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

**SDAT\_SB0283\_Support.pdf**

Uploaded by: Director Michael Higgs

Position: FAV

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**HEARING DATE:** January 17, 2024

**BILL:** SB0283

**TITLE:** Homeowners' Property Tax Credit - Application - Attestation of Gross Income

**SDAT POSITION:** SUPPORT

The Department of Assessments and Taxation supports Senate Bill 283 - Homeowners' Property Tax Credit - Application - Attestation of Gross Income. This legislation would streamline the application process for the Homeowner's Tax Credit by allowing applicants to simply attest to their income in lieu of submitting a tax return if the applicant's income did not require that they file an income tax return.

The Homeowner's Tax Credit was established to allow struggling homeowners to significantly lower their tax burden if they fall below certain income and net worth thresholds. The Department currently requires a detailed accounting of the applicant's income and expenses, and reviews bank statements and other supporting documentation to determine income amounts and eligibility. For homeowners who make an income below the amount required for them to file a tax return with the IRS, these requirements can be particularly burdensome and can require multiple filing attempts by the applicant before they are accepted for the credit.

Senate Bill 283 creates a more streamlined and equitable process for struggling applicants by allowing them to attest, under penalty of perjury, that they were not required by law to submit a tax return and did not file a tax return. This bill would reduce the need for multiple requests for documentation and allow applicants who are critically in need quick and easy access to vital funding.

Accordingly, the Department respectfully requests a **FAVORABLE** report on SB 283.

# **CLC Written Testimony SB 283 - Homeowners' Propert**

Uploaded by: Shana Roth-Gormley

Position: FAV



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**SB 283**

**Homeowners' Property Tax Credit – Application – Attestation of Gross Income**

Hearing before the Senate Budget and Taxation Committee

Jan. 17, 2024

**POSITION: Favorable**

Community Law Center (CLC) is a 501(c)(3) nonprofit organization, which is a legal partner to Maryland neighborhoods and nonprofits in pursuit of more just and vibrant communities. CLC provides direct legal representation to communities and nonprofits on issues like tax exemption and organizational governance, real estate, contracts, intellectual property, employment law, and more. We advocate on issues that impact our Maryland neighborhood and nonprofit clients, including to reform the tax sale system and to prevent and redediate property vacancy and abandonment.

**CLC supports SB 283 to make it easier for homeowners to apply for the Homeowners' Property Tax Credit.** Making this tax credit easier to access for homeowners who were not required to and did not file an income tax return will ensure that homeowners are able take advantage of this tax credit to make their homes more affordable and build and preserve generational wealth. Accessing the tax credit will help keep homeowners in their homes, thus strengthening their surrounding communities by keeping properties occupied and preventing property abandonment and vacancy.

CLC supports SB 283. Thank you for the opportunity to testify.

For the above reasons,

**CLC urges a FAVORABLE VOTE ON SB 283.**

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.

ShanaR@communitylaw.org | 410-366-0922 x 118



# **MVLS Testimony for SB0283.pdf**

Uploaded by: Steven Kappen

Position: FAV



**JUSTICE FOR ALL**

SENATE BUDGET AND TAXATION COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN SUPPORT OF SB0283: HOMEOWNERS' PROPERTY TAX  
CREDIT - APPLICATION - ATTESTATION OF GROSS INCOME

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WEDNESDAY, JANUARY 17<sup>TH</sup>, 2024

Chair Guzzone and distinguished members of the Committee thank you for the opportunity to testify in support of Senate Bill 283.

My name is Steven Kappen, and I am a Tangled Title Staff Attorney at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. MVLS serves some of the most vulnerable people in Maryland, and we help our clients surmount numerous economic, logistic, and legal barriers daily. Our vision is for a fair legal system that is free of injustice and equitably serves underrepresented Marylanders. The Homeowners' Tax Credit can save an individual hundreds or thousands of dollars in property taxes each year. Senate Bill 283 would remove a simple legal barrier for our clients and bring cohesion to a legal framework without increasing costs to the administration of the Homeowners' Tax Credit. We respectfully request a favorable report on Senate Bill 283.

MVLS has been working for decades to make homeownership a reality for low-income Marylanders. MVLS was founded in 1981 by a group of concerned Maryland lawyers, legal services providers and leadership of the Maryland State Bar Association. For over 40 years, our statewide panel has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY23, over 300 MVLS volunteers along with our staff attorneys, moved justice forward in over 3,200 cases. Our panel of 985 attorneys and tax professionals impacted the lives of 7,927 clients and immediate family members. These cases covered areas such as family law, housing, expungements, tax, and deeds and estates. Every day, we help clients surmount economic barriers to justice. Due to our organization's consistent presence in the community, we are exposed to consistent issues affecting vulnerable Marylanders. The Homeowners' Tax Credit is vital to our clients.

The human impact of this credit is tangible. We had a client come to MVLS to help her save her home when she had nowhere else to turn. An active and dedicated Baltimorean, she raised her family in Baltimore for 58 years. The client consistently applied for the Homeowners' Tax Credit, but a hospital stay put her in a dire situation. She missed the application deadline, and when she returned from the hospital, she was faced with the impending reality of losing her house to tax sale. The sum of money that was placing her home, shelter, and safety in jeopardy? \$2,017.11. Our client had made plans to sell personal belongings and borrow funds to try to pay off the tax sale amount. An MVLS volunteer was able to help the client get the Homeowners' Tax Credit, apply it retroactively, and keep her safely housed. It would have been impossible for our client, as an older adult on a fixed income, to come up with the money to keep her housed. Access to the Homeowners' Tax Credit was critical to saving her home.

Several MVLS projects directly involve outreach and legal assistance around the Homeowners' Tax Credit and other critical resources. MVLS strives to help our clients navigate thorny legal challenges to preserving homeownership. MVLS seeks to remove any legal barriers our clients find to accessing housing stabilization resources. Several of our projects focus on housing, deeds, and estates. This includes our My Home, My Deed, My Legacy project, which works to preserve homeownership in at-risk communities and decrease neighborhood displacement, particularly in Black neighborhoods. In addition, we help clients preserve their homes, access critical support, and properly plan to pass on their hard-earned assets (like their home) to their family. This includes focusing on foreclosure prevention, tax sale, tangled titles, estate administration and estate planning. We inform clients about the Homeowners' Tax Credit and related benefits that they may be unaware of, and MVLS helps clients with application assistance. Assisting clients with the Homeowners' Tax Credit is a consistent part of our practice because it frequently is the key element to being able to sustain homeownership.

Senate Bill 283 removes a key barrier to access and brings cohesion to the legal framework of this tax credit. The current statutory regime mandates that a tax return must be provided as proof of income to access the credit. This proof of income is required to ensure eligibility for the benefit. However, not all individuals are required to file a tax return. Due to Internal Revenue Service (IRS) guidelines, if your income is below a predetermined threshold, you are not required to file a return. For example, the single household filing threshold provided by the IRS in 2023 was just \$12,950. Due to the requirements of this exception, those who fall under the exception are among the most vulnerable Marylanders. This bill is a simple and efficient reform to help the people who need this credit the most. Senate Bill 283 simply removes the requirement of providing a tax return only for those who do not have to file one for tax purposes. By doing so, it makes sure that eligible homeowners will have less administrative and procedural steps to access the help they are entitled to and often desperately need. With this bill, the General Assembly can remove barriers to justice, and lift those who need the help the most.

Chair Guzzone and members of the Committee, thank you again for the opportunity to testify in support of Senate Bill 283.

# Testimony on SB 283.pdf

Uploaded by: William Steinwedel

Position: FAV



**MARYLAND  
LEGAL AID**

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

**Senate Bill 283  
In the Senate Budget and Taxation Committee– Property Tax Credit  
Attestation of Gross Income  
Hearing on January 17, 2024  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on SB 283 in response to a request from Senator Guzzone.*

Maryland Legal Aid (MLA) represents low-income homeowners in foreclosure mediations, tax sales, litigation connected to foreclosure, foreclosure matters, and bankruptcies connected to home preservation. MLA also helps many clients to apply for retroactive and current year property tax credits. This bill permits homeowners who do not file tax returns because they only receive non-taxable income such as social security to attest to their income as opposed to having to provide proof of it to be eligible for the Maryland Homeowners Tax Credit. SB 283 will be favorable to homeowners that MLA represents and permit them to more easily access the tax credit.

Under current law requires that homeowners who do not file tax returns to provide a copy of their 1099-SSA and/or 1099-R tax documents that they received from the IRS for the previous year if they want to qualify for the current year's tax credit. This requirement is an unnecessary burden, especially to elderly homeowners who do not file taxes and may not see a need to keep income documents. Earlier this month, I spent nearly three hours with an elderly client trying to find these documents to no avail. This bill would eliminate this time-consuming document requirement and make it much easier for elderly and low-income homeowners to obtain the homeowners property tax credits that they are entitled to.

SB 283 will have the effect of a small but consequential change. The change makes the tax credit easier to obtain thus averting the adverse effect of a property tax delinquency for many elderly and low income homeowners. Making the credits easier to obtain will also mean that the adverse consequences from non-payment of property taxes will be less likely to occur for these low-income, elderly homeowners. Those negative consequences include loss of a home due to tax sale, reverse mortgage foreclosure, or could include loss of homeowners insurance or other negative results. This small change alone will do a great deal to limit the number of homeowners that suffer these adverse consequences.

SB 283 also makes the credit easier to obtain thus encouraging more homeowners, especially elderly homeowners, to exercise their right to obtain the property tax credit, even those who are unable to obtain legal assistance. The change will also make it easier for non-attorney family members and social workers to assist these homeowners in obtaining these property tax credits.

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Because SB 283 supports the intent of the homeowner property tax credit and will make it easier for low-income homeowners to obtain the Homeowners Property Tax Credit, MLA urges a favorable report on SB 283. If you need additional information in regards to this bill, please contact William Steinwedel at [wsteinwedel@mdlabor.org](mailto:wsteinwedel@mdlabor.org) and (410) 951-7643.

/s/William F. Steinwedel

William F. Steinwedel

Supervising Attorney, Foreclosure Legal Assistance Project

Maryland Legal Aid Bureau