

# **Written Testimony HB 44-SB 343- increase HOTC inco**

Uploaded by: Allison Harris

Position: FAV



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## HB 44/SB 343

### RENTERS' PROPERTY TAX RELIEF AND HOMEOWNERS' PROPERTY TAX CREDIT PROGRAMS - GROSS INCOME AND ASSESSED VALUE LIMITATIONS - ALTERATIONS

#### HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE

January 24, 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 pro bono civil legal services in Maryland. As the designated pro bono arm of the MSBA, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics to over 6,200 clients annually. **PBRC supports HB H44/SB 343 because vulnerable renters and homeowners would benefit substantially from increased access to the Renters' and Homeowners' Tax Credit to help prevent the loss of their homes.**

Over the past nine years, PBRC has assisted 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.

Many low-income homeowners are only able to afford their property taxes with the assistance of the Homeowners' Property Tax Credit, which currently has a low-income eligibility threshold that has stagnated at \$60,000 per household for nearly two decades. Further, the assessed value of the home to which the credit can apply has remained capped at \$300,000 for that period, despite the tremendous jump in home values Maryland has seen in recent years. Increasing the income threshold and increasing the maximum assessed value of the home on which the credit is based would enable more homeowners to pay their taxes, avoid tax sale foreclosure, and keep their homes and the equity their families have worked hard to build.

PBRC also provides day-of-court legal representation to tenants who appear unrepresented for their proceedings and has represented thousands of tenants in both Baltimore City and Baltimore County in multiple types of legal actions that could result in eviction. The overwhelming majority of our tenant clients are low-income renters facing Failure to Pay Rent (FTR) actions filed by their landlords. Most of our clients report incomes of less than \$30,000 annually, which typically qualifies as extremely low income. Statewide, over 75% of "extremely low income" tenants are severely cost-burdened, meaning they spend over half of their income on rent (National Low Income Housing Coalition, 2023). These tenants often must choose between paying rent or satisfying other financial needs, such as utilities, food, or medication. Choices like these lead to higher eviction rates, unnecessary moves, and housing instability in general. All these renters contribute indirectly to property taxes through their rent. They would also benefit from the increased access to the Renters' Property Tax Relief provided by HB 44/SB 343.

PBRC supports HB H44/SB 343, which could protect certain Marylanders from the loss of their family home, thereby avoiding eviction, preserving homeownership and the transfer of intergenerational wealth, while stabilizing neighborhoods. Thank you for the opportunity to testify.

For the above reasons,

### **PBRC urges a FAVORABLE report on HB H44/SB 343.**

Please contact Allison Harris, Director of the Home Preservation Project, or Katherine Davis, Director of the Courtroom Advocacy Project, with any questions. [aharris@probonomd.org](mailto:aharris@probonomd.org) • [KDavis@probonomd.org](mailto:KDavis@probonomd.org)

# **Takoma Park 2024 - SB 343 FAV - Renters & Homeowne**

Uploaded by: Cindy Dyballa

Position: FAV



# CITY TAKOMA OF PARK MARYLAND

**Support Senate Bill 343 - Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs – Gross Income and Assessed Value Limitations – Alterations**  
**Senate Budget & Tax Committee**  
**January 24, 2024**

The City of Takoma Park supports and urges favorable consideration of this bill.

The City of Takoma Park is a densely developed, largely residential municipality of almost 18,000 people living within 2.4 square miles in Montgomery County. The City's housing stock is about half multifamily (mostly rent-stabilized) buildings and half single family detached homes. And, with the rising property values in the area, our low-income residents are not immune to the impact that increases in inflation and property taxes may have on their household budgets. This timely bill is important to providing much needed property support to our residents.

The City specifically supports three modest and long overdue updates to the eligibility criteria in the Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs which will provide property tax relief for low-income households. First, it increases the assessed value of a home that's eligible for the programs to \$450,000, from \$300,000. It would also increase the income cap for households to \$70,000, from \$60,000k. Lastly, the bill removes public assistance cash grants from counting toward that income cap.

These modifications will update eligibility criteria that were originally set in the 1980s, and clearly do not account for inflation, rising housing prices, or changes in the housing market. For comparison, \$70,000 is less than 60% of AMI for a two-person household in our area.

The City of Takoma Park is supportive of its residents taking advantage for these programs. This bill supports Takoma Park's affordable housing goals and equity priorities. This bill would also assist more low income homeowners and renters to stay in our community.

In sum, the City of Takoma Park supports SB 343, and encourages a favorable vote.

City Contact: Cindy Dybala, Ward 2 City Council Member  
[cindyd@takomaparkmd.gov](mailto:cindyd@takomaparkmd.gov)

**CDN SB343 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony SB 343**  
**Budget & Taxation Committee**  
**January 24, 2024**  
**Position: FAVORABLE**

Dear Chairman Guzzone & Members of the Budget & 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.

SB 343 helps homeowners by authorizing the State Department of Assessments and Taxation to exclude public assistance received in a cash grant for purposes of the renters' property tax relief program and the homeowners' property tax credit program; increasing the combined gross income limit used to determine eligibility for the tax credits; and increasing, from \$300,000 to \$450,000, the maximum assessed value of a dwelling on which the homeowners' property tax credit is calculated.

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 2019, the average amount owed was just under \$2500. Though most of the homeowners were eligible for the Homeowner's Tax Credit Program, few 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 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 this exclusion of benefits and increasing the maximum assessed value of a house on which the homeowners' property tax credit is calculated, will help to save generational wealth and help many older adults to remain in their homes and communities.

We urge your favorable report.

Submitted by Claudia Wilson Randall, Executive Director

# **SB343\_Renters' Property Tax Relief and Homeowners'**

Uploaded by: Destiny Bell

Position: FAV

CORY V. MCCRAY  
Legislative District 45  
Baltimore City

DEPUTY MAJORITY WHIP

Budget and Taxation Committee

*Subcommittees*

Chair, Health and Human Services

Vice Chair, Capital Budget

Executive Nominations Committee

Legislative Policy Committee

Joint Committee on Gaming Oversight



James Senate Office Building  
11 Bladen Street, Room 221  
Annapolis, Maryland 21401  
410-841-3165 · 301-858-3165  
800-492-7122 Ext. 3165  
Cory.McCray@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Vote Yes to SB343**

**Hearing Date: January 24, 2024**

Title: Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs – Gross Income and Assessed Value Limitations – Alterations

Dear Chair, Vice Chair, and Respected Members of the Committee,

I am writing to seek your favorable vote on **Senate Bill 343**, a pivotal piece of legislation crafted to redefine "gross income" with a focus on specific demographic groups, including seniors, disabled individuals, and low-income families. This targeted approach aims to provide essential support by excluding specific public assistance received in the form of a cash grant, particularly impacting renters' property tax relief and homeowners' property tax credit.

The proposed adjustments in **SB343** are crucial, addressing the need to elevate the income limit for tax credit eligibility to \$70,000. Additionally, the bill suggests raising the cap on the maximum assessed value of homes from \$300,000 to \$450,000, serving as a new benchmark for calculating homeowners' property tax credit.

**Significance and Impact:** These proposed changes hold paramount significance as they refine income definitions, expand income limits for tax credit eligibility, and adjust the maximum assessed value for calculating property tax credits. The legislation aims to foster fairness and equity in property tax relief programs, ensuring that assistance is directed towards those who need it most. By enhancing eligibility criteria and calculations, **SB343** brings clarity and transparency to the determination of gross income, facilitating easier access to property tax relief for both renters and homeowners.

This legislation represents a thoughtful and necessary adjustment to property tax relief programs in Maryland, ensuring that residents facing financial challenges receive the support they require. The bill strikes a balance between fairness, accountability, and targeted assistance, and its passage would significantly contribute to the well-being of our communities. I strongly urge a favorable report for **Senate Bill 343**.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Cory', with a stylized flourish at the end.

Cory V. McCray  
45<sup>th</sup> District

# **SB 343 - FAV - Public Justice Center.pdf**

Uploaded by: Matt Hill

Position: FAV

**SB 343 – Renters’ Property Tax Relief and Homeowners’ Property Tax Credit Programs – Gross Income and Assessed Value Limitations – Alterations**

**Hearing before the Senate Budget and Taxation Committee, January 24, 2024**

**Position: SUPPORT (FAV)**

Public Justice Center (PJC) is a nonprofit public interest law firm that serves over 800 renters and their families each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing.

**SB 343 will assist Marylanders by expanding eligibility for the renter tax credit to those families who are vulnerable to eviction and homelessness.** By excluding income received from public assistance and raising the income cap to \$70,000, SB 343 targets financial assistance to working class families and those who are closest the edge of poverty and eviction.

Maryland renting families endure the 10<sup>th</sup> most unaffordable housing market in the country:

**MARYLAND #10\***

In **Maryland**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,616**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$5,387** monthly or **\$64,642** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

**\$31.08 PER HOUR STATE HOUSING WAGE**

**FACTS ABOUT MARYLAND:**

STATE FACTS	
Minimum Wage	\$13.25
Average Renter Wage	\$22.71
2-Bedroom Housing Wage	\$31.08
Number of Renter Households	750,551
Percent Renters	33%

<b>94</b> Work Hours Per Week At Minimum Wage To Afford a 2-Bedroom Rental Home (at FMR)	<b>79</b> Work Hours Per Week At Minimum Wage To Afford a 1-Bedroom Rental Home (at FMR)
<b>2.3</b> Number of Full-Time Jobs At Minimum Wage To Afford a 2-Bedroom Rental Home (at FMR)	<b>2.0</b> Number of Full-Time Jobs At Minimum Wage To Afford a 1-Bedroom Rental Home (at FMR)

MOST EXPENSIVE AREAS	HOUSING WAGE
Washington-Arlington-Alexandria HMFA	\$35.35
California-Lexington Park MSA	\$30.71
Baltimore-Columbia-Towson MSA	\$29.77
Cecil County	\$28.27
Talbot County	\$23.10



MSA – Metropolitan Statistical Area; HMFA – HUD Metro FMR Area.  
 \* Ranked from Highest to Lowest 2-Bedroom Housing Wage. Includes District of Columbia and Puerto Rico.  
 WWW.NLIHC.ORG/OOR | © 2023 NATIONAL LOW INCOME HOUSING COALITION

SB 343 will give much needed financial support to Maryland renters during a difficult time of economic recovery. **Public Justice Center** supports programs that provide renters with the means to remain in their homes. We ask that the Committee issue a favorable report on SB 343.

Public Justice Center asks that the Senate Budget and Taxation Committee **issue a report of FAVORABLE on SB 343**. If you have any questions, please contact C. Matthew Hill [hillm@publicjustice.org](mailto:hillm@publicjustice.org), (410) 625-9409 Ext. 229.

# **MSCAN SB343 Renters tx alt.pdf**

Uploaded by: Sarah Miicke

Position: FAV



# Maryland Senior Citizens Action Network

## MSCAN

*AARP Maryland*

*Alzheimer's Association,  
Maryland Chapters*

*Baltimore Jewish Council*

*Catholic Charities*

*Central Maryland  
Ecumenical Council*

*Church of the Brethren*

*Episcopal Diocese of  
Maryland*

*Housing Opportunities  
Commission of  
Montgomery County*

*Jewish Community  
Relations Council of  
Greater Washington*

*Lutheran Office on  
Public Policy in  
Maryland*

*Maryland Association of  
Area Agencies on Aging*

*Maryland Catholic  
Conference*

*Mental Health  
Association of Maryland*

*Mid-Atlantic LifeSpan*

*National Association of  
Social Workers,  
Maryland Chapter*

*Presbytery of Baltimore*

*The Coordinating Center*

*MSCAN Co-Chairs:  
Carol Lienhard  
Sarah Miicke  
410-542-4850*

## Testimony in Support of SB343 Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs – Gross Income and Assessed Value Limitations – Alterations

### Budget and Taxation Committee

**January 24, 2024**

### Support

The Maryland Senior Citizens Action Network (MSCAN) is a statewide coalition of advocacy groups, service providers, faith-based and mission-driven organizations that supports policies that meet the housing, health and quality of care needs of Maryland's low and moderate-income seniors.

We are here in strong support of SB343 which expands eligibility for the Homeowners' and Renters' Tax Credits and increases the number of older adults who may benefit from this critical support.

SB343 will raise the income and median home value limits for the Homeowners Tax Credit which have not changed in decades and eliminate a provision which counts public assistance as gross income. The first set of changes will help older adults cope with the cost of living crisis, particularly in some parts of the state.

Older adults are the fastest growing cohort in Maryland, and we must ensure that they are able to age in place. SB343 updates the successful Homeowners and Renters Tax Credits program and expands eligibility and access to the program for more older adults throughout the state.

**For the reasons stated above, MSCAN urges a favorable report on SB 343.**

Thank you for your consideration.



**MD Senate Legislation SB0343 1\_24 Hearing .pdf**

Uploaded by: Sheila Somashekhar

Position: FAV



Testimony before the Maryland Senate

Regarding Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs – Gross Income and Assessed Value Limitations – Alterations

January 24, 2024  
Via Virtual Platform

Sheila Somashekhar  
Purple Line Corridor Coalition Director  
National Center for Smart Growth, University of Maryland

Maryland State Senate:

Thank you for providing the opportunity to participate at today's hearing.

My name is Sheila Somashekhar, and I am speaking on behalf of the Purple Line Corridor Coalition (PLCC), a collaborative working on equitable development along the Purple Line. With its home at the University of Maryland's National Center for Smart Growth, PLCC has developed a number of research-supported plans and policy priorities that address issues such as housing stability and affordability in gentrifying communities along the transit route.

PLCC has a stated goal in its [2023-2027 Housing Action Plan](#) to make sure renters and homeowners have the choice to continue to live near the Purple Line. About one-quarter of Purple Line homeowners already struggle to keep up with the costs associated with homeownership, with the burden being even greater for homeowners of color. We support SB0343, as necessary for homeownership preservation and prevention of displacement.

The maximum home values and tax credit income thresholds set 15 years ago are outdated for our region. As of 2022, half the Corridor's zip codes had median home prices at or above \$450k. Further, a household income of \$72,000 falls well below 60% of area median income along the Purple Line. Increasing the household gross income limit and the allowable maximum value of dwellings that qualify for the program means that more struggling families will have access to the relief available from the tax credit.

Passing this legislation is important for the wellbeing of the communities along the Purple Line. Thank you, and please contact me at [ssomashe@umd.edu](mailto:ssomashe@umd.edu) if you wish to discuss further.

# **Testimony on SB 343.pdf**

Uploaded by: William Steinwedel

Position: FAV



**MARYLAND  
LEGAL AID**

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

**Senate Bill 343  
In the Senate Budget and Taxation Committee– Property Tax Credit  
Attestation of Gross Income  
Hearing on January 24, 2024  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on SB 343 in response to a request from Senator McCray.*

Maryland Legal Aid (MLA) is the largest non-profit law firm in the State of Maryland and 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. SB 343 increases the income threshold for the homeowners and rental property tax credit from \$60,000.00 to \$70,000.00 and eliminates public benefits received in a cash grant from the asset and income calculation for the homeowners and rental property tax credit.

By increasing the income threshold for eligibility and eliminating cash grants from the asset calculation, SB 343 will make more homeowners and renters eligible for the homeowners and renters property tax credit. It also brings homeowner eligibility for the credit closer to the Maryland household median income, which is \$108,200.00<sup>1</sup>. Making more homeowners eligible for these credits will also mean that the adverse consequences from non-payment of property taxes will be less likely to occur for more 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 343 will also prevent increases in social security and pension income due to inflation or the awarding of public benefits from making a homeowner ineligible for the homeowners or renters property tax credit. It will also mean that homeowners that receive assistance from the state to prevent the loss of a home or eviction, such as rental assistance or mortgage assistance from the Maryland Homeowners Assistance Fund (HAF), will not be rendered ineligible for future homeowners or renters property tax credits due to this assistance.

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<sup>1</sup> <https://www.statista.com/statistics/205949/median-household-income-in-maryland/>.

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Because SB 343 makes more homeowners and renters eligible for the homeowners and renters property tax credit, MLA urges a favorable report on SB 343. 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

# **Sign on letter SB343.pdf**

Uploaded by: Zoe Gallagher

Position: FAV



**Testimony to the Senate Budget and Taxation Committee**  
**SB 343: Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs –**  
**Gross Income and Assessed Value Limitations – Alterations**  
**Position: Favorable**

January 19, 2024

Sen. Guy Guzzone, Chair  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401  
Cc: Members, Budget and Taxation Committee

Honorable Chair Guzzone and Members of the Committee:

As organizations whose work is rooted in supporting older adults, we wanted to share our support on this legislation.

The Maryland Homeowners' and Renters' Tax Credit Programs are incredibly beneficial to low-income families and older adults, but are currently limited in efficacy due to outdated and overly limiting eligibility cutoffs. As the cost of living continues to increase, we must amend eligibility requirements to ensure that more people in need are able to benefit from this program.

We the undersigned organizations are writing to ask you to support SB343, which would increase the combined gross income limits used to determine eligibility for tax credits for renters and homeowners in the state of Maryland, as well as raise the assessed property rate for homeowners to be eligible.

In 2020, Maryland had the 8th highest number of renters who were cost-burdened in the country, with 49% of Marylanders spending more than 30% of their income on housing, while many Marylanders are severely cost-burdened paying more than 50% for a rental. SB343 would increase the number of Maryland residents who are eligible for the renters tax credit program of up to \$1000 a year, decreasing this number of cost burdened residents and providing a stepping stool out of poverty for many.



SB343 will update Maryland's current definition of gross income to exclude public assistance received through cash grants, increasing the number of individuals eligible for the tax credit. When passed, SB343 will allow low-income older adults to receive much needed assistance with rent, homeownership, and living expenses. In addition to this change, eligibility for applicants to receive the tax credit will increase to a maximum income of \$70,000 as compared to its current \$60,000.

For homeowners, this bill would increase the eligible assessed property value to \$450,000, versus its current \$300,000. This is a much needed increase, considering this current value has not changed in 30 years. In that time, the median price of a house in Maryland has increased from \$115,000 in 1990 to over \$400,000 in 2023. In Montgomery County, where over 15% of residents are adults over 65, the median home tax assessment for 2023 was over \$400,000, which far exceeds the current eligibility cutoff of \$300,000.

Older adults are the fastest growing cohort in Maryland, and we must ensure that our legislation continues to provide the resources they need in order to thrive.

For these reasons, we support SB343 and ask for a favorable report.

Sincerely,  
Zoe Gallagher, Representing Economic Action Maryland

John Kern, Director of Programs, The SOS Fund



Nneka Nmamdi, COO, Flight Blight Bmore

Sarah Miicke, Co-Chair, Maryland Senior Citizen Action Network

Betsy D. Simon, Founder/CEO, BDS Healthy Aging Networks, Inc.

Susan Francis, Executive Director, The Maryland Volunteer Lawyers Service

**SB0343-BT\_MACo\_SWA.pdf**

Uploaded by: Kevin Kinnally

Position: FWA



## **Senate Bill 343**

### *Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs – Gross Income and Assessed Value Limitations – Alterations*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

**WITH AMENDMENTS**

Date: January 24, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 343 WITH AMENDMENTS**. MACo contends that any state legislation to expand eligibility for existing local-option supplemental tax credits, like this bill, should be subject to the discretion of the local governing body.

As introduced, SB 343 expands eligibility for state property tax credits for which many local jurisdictions have adopted local supplemental credits. Without clarifying language that this expansion is itself subject to a local option, expanding the breadth of the existing credits may result in a more considerable fiscal loss than counties anticipated when originally enacting supplemental credits.

As introduced, this bill alters the definition of "gross income" to exclude certain public assistance received in a cash grant for purposes of the renters' property tax relief program and the homeowners' property tax credit program. It increases the combined gross income limit used to determine eligibility for the tax credits, and increases – from \$300,000 to \$450,000 – the maximum assessed value of a dwelling on which the homeowners' property tax credit is calculated.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

Local-option property tax credits allow counties to enact credits tailored to their specific community needs. Additionally, they give each jurisdiction broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits an optional credit enables.

Counties welcome the opportunity to work with state policymakers to develop flexible and optional tools to implement comprehensive or targeted tax incentives, but resist state-mandated changes that preclude local input.

Accordingly, MACo urges the Committee to issue SB 343 a report of **FAVORABLE WITH AMENDMENTS** to grant counties proper flexibility to determine whether expanding an existing local-option supplemental property tax credit is in their best interest.