



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.

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