



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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