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February 12, 2020

Delegate Anne R. Kaiser, Chair
House Ways and Means Committee
House Office Building, Room 131
6 Bladen Street
Annapolis, Maryland 21401

Re: **SUPPORT** – HB563 – INCOME TAX – LEAD REMEDIATION CREDIT

Dear Chair Kaiser and Members of the Committee:

The Green & Healthy Homes Initiative (GHHI) writes in support of HB563. For over 25 years, GHHI has advocated for all Marylanders to have access to safe and healthy homes in pursuing its mission to break the link between unhealthy families and unhealthy homes. We have seen firsthand the ravages of lead poisoning in our State – older housing built before 1978 that contain lead hazards has negatively impacted the health of children and their families. Lead poisoning is irreversible and can contribute to brain damage, learning disabilities, speech delays, attention deficit disorder, diminished IQ, and violent and aggressive behavior problems. We are here today in support of HB563.

If passed, HB563 will:

- 1) Provide a tax credit of up to \$5,000 per unit to financially assist low to moderate income homeowners and rental property owners in Baltimore City to proactively conduct lead hazard reduction projects in their properties;
- 2) Support owners in completing more permanent lead hazard reduction measures such as the replacement of leaded windows and doors.

Lead is a harmful neurotoxin that can be found throughout our environment including our homes, our water, and our soil. However, the primary source of lead poisoning is lead-based paint and related lead dust caused by chipping, peeling, flaking, or deteriorating lead-based paint. There are 209,572 housing units in Baltimore City that were built prior to 1980 that may contain lead-based paint hazards including 108,870 properties that are owner occupied. Children under age 6 are most at risk to be exposed to lead based paint hazards in older housing. Young children spend a significant portion of their day in the home at risk of ingesting or inhaling lead-based paint and dust. Exposure to lead in even miniscule amounts can drastically alter children's life trajectory. In 2018, there were still 1,825 children under age 6 with elevated blood levels (EBLs) of 5 µg/dl or higher in Maryland including 712 in Baltimore City alone.

Since the passage of Maryland Reduction of Lead Risk Reduction Law in 1993 – the repair of lead hazards in our rental housing market has helped to produce a 99% decline in childhood lead poisoning in Baltimore City and a 98% decline in Maryland. Lead poisoning also imposes fiscal and social costs on all Maryland residents through increased special education and juvenile justice costs as well as lost tax revenue from reduced earnings Maryland generates approximately \$1,073,000¹ in increased lifetime earnings and reduced medical and social service expenditures for every child we prevent from lead poisoning. It is therefore imperative that Maryland is proactive in identifying and remediating lead hazards in the home.

One of the greatest impediments to ending childhood lead poisoning is the lack of financial resources available to owner occupant parents and rental property owners to permanently reduce lead paint hazards in their properties. Many low-income and moderate income homeowners cannot afford to replace windows and doors or use certified contractors to perform the work safely. Federal and State lead hazard reduction grant programs in Baltimore and Maryland are insufficient to meet the need. The grant programs are also only available to those with income at or below 80% of area median family income. This leaves many owners without access to funds to properly repair the lead hazards in the home.

How Does Maryland Compare to Other States?

Rhode Island and Massachusetts are examples of two other states that have already enacted lead-based paint remediation tax credits. The Residential Lead Abatement Income Tax Credit, has a state income tax credit to support Rhode Island homeowners and rental property owners in reducing lead hazards in their properties. The maximum tax credit is \$5,000 per unit for lead abatement and \$1,500 per unit for lead hazard control work; Massachusetts's Lead Paint Removal Tax Credit allows Massachusetts residential property owners to receive tax credits for remediating lead paint hazards on their property. The maximum tax credit is \$1,500 per residential unit for full abatement measures or \$500 per residential unit for lead hazard reduction interim control measures. Maryland should align and adopt legislation to be at the forefront of lead-paint legislation in the country in providing financial assistance and incentives to owners to conduct lead hazard reduction measures.

¹ National Center for Environment Health, Centers for Disease Control and Prevention. Grosse et al. "Economic Gains Resulting from the Reduction in Children's Exposure to Lead in the United States," Environmental Health Perspective 110:563 – 569, June 2002. (*Note: adjusted for inflation in 2020 dollars).

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HB563 would provide support lead poisoning primary prevention to ensure that children and their families are not exposed to lead in the home. The lead remediation income tax credit offers financial support to help residential property owners address lead hazards by permanently replacing leaded windows and doors that are the major contributors to lead hazards such as lead dust that impact all children and pregnant woman residing in housing built before 1978. Marylanders. These resources are especially important to incentivize homeowners who currently are not required to address lead hazards in their under Maryland law until a child becomes lead poisoned. The Bill follows § 4-701 of the Housing and Community Development Article to define “lead hazard reduction activity” in accordance with State and federal standards for safety and best practice.

We ask this Committee to support this important Bill to safeguard the health of Baltimore City residents, including our most vulnerable children.

WE ASK YOU TO SUPPORT HB563.

Respectfully Submitted,



Ruth Ann Norton
President and CEO

