
HB 387

**HOMEOWNERS' PROPERTY TAX CREDIT – ELIGIBILITY – HARDSHIP EXCEPTION
HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE**

JANUARY 26, 2021

POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide clearinghouse for pro bono 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. **PBRC supports HB 387 because vulnerable homeowners who are under added economic strain resulting from a health crisis need protections in place such as the hardship exception that can help prevent the loss of their homes.**

Over the past six years, PBRC has assisted over 650 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 pay one’s property taxes. The clients served by tax sale prevention clinics held in Baltimore by PBRC and Maryland Volunteer Lawyers Service in 2020 represented some our state’s most vulnerable citizens: 72% were seniors, 48% were disabled, 85% identify as Black, and nearly three-quarters (72%) 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 and allow them to stay in their homes. However, the majority of Maryland homeowners are unrepresented.

The average length of homeownership amongst our 2020 Baltimore clients was 24 years, and nearly 75% of them owned their homes free of a mortgage. As lower-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes. Over 330,000 Marylanders have been diagnosed with COVID since last March, and many of these people have lost their own or their family's wages as a result, with the economic stress compounded by their illness-related medical bills. This year's property tax bill may simply be out of reach for Marylanders who, but for the financial hardship of experiencing COVID, would have been able to pay. By extending the property tax credit to homeowners who would otherwise be ineligible for the credit and who have experienced a hardship this year, these homeowners will be able to pay their taxes, avoid tax sale foreclosure, and keep their homes and the equity they have worked to build.

PBRC supports HB 387, which may protect certain Marylanders who were financially affected by the COVID crisis from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on HB 387.

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

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