

## **SB 809 - MVLS Testimony.pdf**

Uploaded by: Aja' Mallory

Position: FAV



**JUSTICE FOR ALL**

MARYLAND SENATE BUDGET AND TAXATION COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE  
IN SUPPORT OF SB809: HOMEOWNERS' PROPERTY TAX CREDIT – EASY  
APPLICATION AND AUTOMATIC RENEWAL  
WEDNESDAY, MARCH 9, 2022

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Chair Guzzone and distinguished members of the Committee, thank you for the opportunity to testify.

My name is Aja' Mallory and I am the Consumer Staff Attorney at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. MVLS was founded in 1981 by a group of concerned Maryland lawyers, legal services providers and leadership of the Maryland State Bar Association. Since then, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY21, MVLS volunteers provided legal services to 3,353 people across the state. As part of our tax sale foreclosure work, we see numerous clients at risk of losing their housing due to not receiving applicable tax credits. For the reasons explained below, we respectfully request a favorable report on Senate Bill 809.

MVLS represents clients who face losing their homes due to unpaid property taxes. Tax sale often affects the poorest homeowners in the most distressed neighborhoods and contributes to vacant and abandoned properties all over the state. In 2013, MVLS and other nonprofit organizations came together to form the Tax Sale Workgroup. Our goal was to protect communities and homeowners, especially people with lower incomes and the elderly, who face the most devastating effects of the tax sale process. Since 2014, MVLS has maintained a partnership with the Pro Bono Resource Center of Maryland to conduct yearly tax sale workshops aimed at helping homeowners avoid tax sale. In the past four years, volunteers have assisted over 350 people at these workshops.

From the data we collected at our 2020 tax sale clinics, 72% of clients are seniors, 48% were disabled, 85% identified as Black, and 72% reported a household income of \$30,000 or less per year. Many of these clients survive on fixed incomes and struggle to pay their bills even before a tax sale happens. We also found that most homeowners live in multigenerational households where they provide shelter and support for their children and grandchildren.

Karen came to MVLS to help save her home. Karen is 89 years old and made sure to apply for the Homeowner's Property Tax Credit every year. This tax credit is often critically important for homeowners facing financial hardships

to reduce their tax liability and avoid losing their home to tax sale. However, this past year Karen was hospitalized for an extended period, and as a result, she missed the Homeowner's Property Tax Credit application deadline. In Maryland, a homeowner is required to submit the application every single year and be requalified for the program. The tax credit covers Karen's entire property tax bill and without the credit she was facing a property tax bill that she simply could not afford on her limited income. I was able to get the retroactive tax credits for Karen, however the credit was applied after the tax sale deadline. Karen's home narrowly missed being included in the tax sale.

Without the ability to access the Homeowners Property Tax Credit, families experiencing financial hardship face numerous issues that can and do lead to homelessness. Unfortunately, many homeowners do not know about the credit or have circumstances in their lives, such as hospitalization, death in the family, or other barriers, that prevent them from meeting the Homeowner's Property Tax Credit deadline. Without families anchored in these homes, as they have been for generations, their communities become destabilized. MVLS supports SB809 because it would ensure clients like Karen have an easier application process and do not have to reapply every year. This would remove a huge barrier standing in the way of Maryland families' ability to sustain homeownership.

Mister Chair and members of the Committee, thank you again for the opportunity to testify.

## **Written Testimony SB 809 (automatic HOTC renewal)**

Uploaded by: Allison Harris

Position: FAV

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**SB 809****HOMEOWNERS' PROPERTY TAX CREDIT – EASY APPLICATION AND AUTOMATIC RENEWAL  
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE****MARCH 9, 2022****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. PBRC supports SB 809 because low-income homeowners would benefit from ongoing, automatic renewal of their Homeowners’ Tax Credit to help prevent the loss of their homes.**

Over the past seven years, PBRC has assisted nearly 700 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of their inability to pay their property taxes. The clients served by our tax sale prevention clinics held in Baltimore in 2021 represented some of our state’s most vulnerable citizens: 81% were seniors, 26% were disabled, 84% identified as Black, and 81% 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.

On average, our 2021 Baltimore clients encountered in our clinics had owned their homes for 28 years, and over 70% 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. Many low-income homeowners are only able to afford their property taxes with the assistance of the Homeowners’ Property Tax Credit, which currently requires an annual application. If the homeowner misses the renewal due date, the homeowner is obligated to pay the full amount of the tax bill, which is simply out of reach for many Marylanders. Failure to apply or reapply for the credit in a timely manner frequently lands families in tax sale. By the time we meet with clients when tax sale is looming weeks away, it is too late to help them apply for the property tax credit that would, if given, pull that family out of the risk of tax sale foreclosure and the distinct possibility of losing their home. Allowing certain homeowners to more easily apply for the property tax credit and to allow for automatic renewals would enable far more homeowners to pay their taxes, avoid tax sale foreclosure, and keep their homes and the equity their families have worked to build.

PBRC supports SB 809, 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. Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on SB 809.**

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

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# **SB 809 Testimony.docx.pdf**

Uploaded by: Antonio Hayes

Position: FAV

ANTONIO HAYES  
Legislative District 40  
Baltimore City

Finance Committee



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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Testimony of Senator Hayes in Support of Senate Bill 809: Homeowners' Property Tax  
Credit–Easy Application and Automatic Renewal**

**March 9, 2022**

Dear Chairman Guzzone and Members of the Budget and Taxation Committee,

For the majority of the last decade, Marylanders experienced a larger drop in homeownership than the national average. The reasons for this decline included property tax bills, which strained homeowners' budgets and caused foreclosures and tax sales. Many of the victims of these levies were eligible for the Homeowners Property Tax Credit, which would absolve them of their taxes. However, the inconvenience of a separate application made it difficult to apply for the credit, especially for the elderly population. These barriers are even more significant for potential Black homeowners. For most of these citizens, their houses are the only equity they can pass on to their future generations, and they have spent decades to pay off their mortgages.

Senate Bill 809 would require the addition of a notification on the residents' individual income tax returns of their eligibility for the tax credit. An additional form would also be supplied to apply for the tax credit at the same time that the resident was filling out their tax returns. Once they apply for the tax credit one year, the bill would not require the residents to reapply every year and they would receive their yearly tax credit as long as their financial situation did not change.

The bill includes explicit directions for homeowners to immediately inform the city if their qualifying homeowner's income has changed for any reason. The unfortunate reality is that most of these homeowners' income is fixed and less than \$60,000. Any surprise tax bills they receive on account of their inability to fill out a form destabilizes not only their personal finances but also makes it difficult to care for the entire family in that household. No citizen should have to be in such a precarious state despite being protected against it by the law. This bill would ensure that that does not happen again.

Thus, I urge a favorable report on Senate Bill 809.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio Hayes".

Senator Antonio L. Hayes  
40<sup>th</sup> Legislative District - MD



# **CDN SB809 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony SB 809**  
**Budget & Taxation Committee**  
**March 9, 2022**  
**Position: FAVORABLE**

Dear Chair Guzzone and 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 809** helps homeowners by requiring the Comptroller to include on the Maryland resident individual income tax return form a certain notification concerning the homeowners' property tax credit and a certain separate form that a taxpayer may use to apply for the homeowners' property tax credit; and requiring that certain qualifying homeowners receive the homeowners' property tax credit for subsequent taxable years without being required to file an application for the credit.

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 the poorest homeowners from losing their houses to tax sale. These improvements include higher thresholds for tax sale, removal of water bills, and the appointment of a public ombudsman. Requiring the Comptroller to include resident individual income tax return form a certain notification concerning the homeowners' property tax credit will help more elderly homeowners age in place. These older adults have experienced unimaginable losses to their health, to their economic and cognitive wellbeing during the last year.

We urge your favorable report of SB 809.

Submitted by Claudia Wilson Randall, Executive Director

# **SB 809 Testimony.pdf**

Uploaded by: Lorna Henry

Position: FAV



**MARYLAND  
LEGAL AID**

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

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ADVOCACY SUPPORT UNIT**

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01.2022



March 8, 2022

The Honorable Guy Guzzone  
Chairperson  
Budget and Taxation Committee  
3 West Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

**RE: Testimony of Maryland Legal Aid in Support of Senate Bill 809 –  
Homeowners' Property Tax Credit – Easy Application and Automatic Renewal**

Dear Chair Guzzone and Members of the Committee:

Thank you for the opportunity to testify in favor of SB 809. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, and veterans. With 12 offices serving residents in each of Maryland's 24 jurisdictions, MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law, and criminal record expungements to remove barriers to obtaining child custody, housing, driver's licenses, and employment. MLA supports this Bill and asks that the Committee give it a favorable report. Lorna Henry, Esq. will testify in support of this bill on behalf of MLA at the request of Delegate Antonio Hayes.

SB 809 will benefit homeowners with its ease of application and convenient automatic renewal of the Homeowners' Property Tax Credit. In addition, by providing notice of the tax credit along with a form to be completed at the time that a resident files their state income tax return, a homeowner can immediately benefit from the tax credit. The homeowner will receive the credit before their tax bill is sent, rather than waiting for a refund of the credit..

MLA represents clients with pending tax sales, housing, and foreclosure issues across Maryland. The majority of MLA clients are eligible for the Homeowners' Property Tax Credit, which significantly reduces, if not eliminates, their property tax bill and often prevents their homes from going into foreclosure or tax sale. MLA has many clients, especially older adults and clients with disabilities, who face foreclosure or tax sale because they forgot to apply or reapply for their Homeowners' Property Tax Credit. MLA attorneys attempt to prevent this from happening by sending out the application with instructions every year, but some clients still cannot apply.

Last year, a 78-year-old resident contacted MLA to determine why her mortgage payment had increased by an additional \$500 each month. She owned her home for over 15 years and was current on her mortgage. However, she had not applied for the Homeowners' Property Tax Credit in 2020 (the first year of the COVID-19 pandemic) and

did not realize that was the reason for the drastic increase in her mortgage payment. Due to this unexpected increase, she became very concerned that she would no longer afford her home since she was on a fixed income. MLA advocates explained to the client the reason for the increase in her mortgage payment and assisted her in finding a resolution.

SB 809 would prevent this from happening, as it would require that a homeowner apply once, and then after that, they would be eligible every year, as long as their financial information did not change. This bill would prevent an eligible homeowner from being penalized for simply failing to resubmit their application and ensuring that all homeowners receive the tax credit designed to make homeownership affordable.

Thank you for the opportunity to comment on this crucial piece of legislation. Maryland Legal Aid supports SB 809 and asks that this committee give it a favorable report.

/s/ Lorna M. Henry

Lorna M. Henry

Staff Attorney, Maryland Legal Aid

Foreclosure Legal Assistance Project, Baltimore City Office

410-951-7652

[LHenry@mdlab.org](mailto:LHenry@mdlab.org)

# **MCRC Testimony 2022-SB 809.docx (1).pdf**

Uploaded by: Marceline White

Position: FAV



Maryland Consumer Rights Coalition

**Testimony to the Senate Finance Committee  
SB 809 - Homeowners Tax Credit-Easy Application and Automatic Enrollment  
Position: Favorable**

March 7, 2022

The Honorable Delores Kelley, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Senate Finance Committee

Honorable Chair Kelley and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of SB 809.

For the past six years, MCRC's SOAR (Securing Older Adult Resources) program offers comprehensive financial capabilities work has led efforts to promote the Homeowners' Tax Credit. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2021, MCRC returned \$86,745.07 in tax credits to financially fragile older adults.

However, despite this large initiative to help Maryland homeowners apply for the Homeowners' Tax Credit, some residents are unable to apply on time. For example, some homeowners hear of the Homeowner's Tax Credit program only once they have entered into the tax sale process. Increasing property taxes can be devastating to Maryland homeowners. Of those who enter tax sale, three-quarters are seniors and have household incomes of less than \$30,000 and nearly half are disabled, while a majority identify as Black.<sup>1</sup> Often those in tax sale also own their homes outright,

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<sup>1</sup> City Targets Elderly Homeowners For Property Tax Credit Outreach.  
<https://www.wypr.org/2021-09-07/city-targets-elderly-homeowners-for-property-tax-credit-outreach>





Maryland Consumer Rights Coalition

having already paid off their mortgages. Other residents simply may not have been able to keep up with their taxes once the COVID-19 pandemic began and their businesses began closing.<sup>2</sup>

In addition, Maryland residents who have successfully applied on time in the past may experience a medical or financial hardship and as a result could miss the deadline. The COVID-19 pandemic has had a significant financial impact on older adults; history shows us that adults 60 and older experience a large decrease in total net wealth and an increase in debts, particularly property related debt, and experience significant increases in poverty status post-recession.<sup>3</sup>

SB 809 addresses many of the issues that our seniors experience by making the application and enrollment process much easier-and in many cases, automatic for our older adults and alleviate the burden of having to manage paperwork and forms to re-enroll annually.

For all these reasons, we support SB 809 and ask for a favorable report.

Best,

Marceline White  
Executive Director

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<sup>2</sup> Activists Plead Scott To Follow Promise To Remove Some Homeowners From Tax Sale.

<https://www.wypr.org/wypr-news/2021-04-30/activists-plead-scott-to-follow-promise-to-remove-some-homeowners-from-tax-sale>

<sup>3</sup> Economic Insecurity for Older Adults in the Presence of the COVID-19 Pandemic.

<https://www.ncoa.org/article/economic-insecurity-for-older-adults-in-the-presence-of-the-covid-19-pandemic>



# **Councilwoman Odette Ramos SB809\_3.09.2022.pdf**

Uploaded by: Odette Ramos

Position: FAV



**Odette Ramos**

**Baltimore City Councilwoman**

**District 14**

(410) 396 - 4814

[odette.ramos@baltimorecity.gov](mailto:odette.ramos@baltimorecity.gov)

100 N. Holliday Street, Room 506

Baltimore MD 21202

**Testimony**

**SB809– Homeowners Property Tax Credit – Easy Application and Automatic Renewal**

**March 9, 2022**

**FAVORABLE**

Chair Guzzone and Members of the Senate Budget and Taxation Committee

I am writing to urge your support for **SB809 – Homeowners Property Tax Credit – Easy Application and Automatic Renewal**.

SB809 comes from a series of working groups dedicated to improving access to the Homeowners Property Tax Credit, most notably the work in the House Ways and Means Committee on this issue.

The Homeowner's Property Tax Credit is a valuable tool to help residents avoid predatory tax sale and stay in their homes. When a resident applies for the credit, the Maryland Department of Assessments and Taxation determines eligibility and then pays the amount of the property taxes that the person is eligible for. The jurisdiction is made whole, while the resident is able to pay what they can. The Credit is available to residents who are making \$60,000 or less. The Credit is retroactive for residents over 70 years of age and there is no deadline for that age group.

The downside of the Credit has been access. While the Comptroller's Office sends postcards to people who may be eligible, the application process is cumbersome and must be done each year. For elders, applying every year when their income is not changing has not been successful. In addition, the additional information often needed is something that is difficult for some of our elders to obtain.

SB809 requires the Comptroller to provide an additional form in the income tax returns for residents who are eligible to complete during the time they file their income tax returns. This way, the person helping them with their tax returns can assist in the filing and all the income information is already available. The Comptroller will then send the application to SDAT for further processing. After 2023, the resident does not have to apply each year. In 2024, SDAT will send forms and letters asking for verification of any changes income or status.

These simple measures will ensure that all of the eligible applicants get the credit, and we are not waiting on someone to alert them to their eligibility in a separate process.

I urge your favorable report for this legislation.

Please do not hesitate to contact me should you have any questions. I can be reached on 410-396-4814 or via email at [odette.ramos@baltimorecity.gov](mailto:odette.ramos@baltimorecity.gov).

Respectfully Submitted:

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

Odette Ramos  
Baltimore City Councilwoman  
District 14

# **SB0809.docx (1) (1).pdf**

Uploaded by: Director Michael Higgs

Position: INFO

**LARRY HOGAN**  
Governor

**BOYD K. RUTHERFORD**  
Lt. Governor



**MICHAEL HIGGS**  
Director

**CORBETT WEBB**  
Deputy Director

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**HEARING DATE:** March 9, 2022

**BILL:** SB0809

**TITLE:** Homeowners' Property Tax Credit - Easy Application and Automatic Renewal

**SDAT POSITION:** Letter of Information

The Homeowners Property Tax Credit allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. In other words, it sets a limit on the amount of property taxes any homeowner must pay based upon their income.

Since income can change annually, an annual application is required. SB0809 intends to automatically enroll and annually requalify homeowners for the Homeowners Property Tax Credit.

The State Department of Assessments and Taxation (SDAT) believes this legislation complicates the current process by involving multiple agencies (SDAT and the Comptroller's Office) in the process of administering a singular tax credit.

Additionally, SDAT is concerned with the large fiscal impact on SDAT's IT vendors. This legislation will demand that a seventh phase be added to the current Cloud Revenue Integrated Systems (CRIS) project.

Additionally, as written, this legislation leads to many potential questions from customers such as:

- Which agency is best suited to field inevitable questions about the new process: the Comptroller or SDAT?
- Should taxpayers wait to submit their income tax returns until their SDAT questions are resolved? Many individuals will confuse Comptroller questions with SDAT questions, and the departments' responses may counteract one another.

**LARRY HOGAN**  
Governor

**BOYD K. RUTHERFORD**  
Lt. Governor



**MICHAEL HIGGS**  
Director

**CORBETT WEBB**  
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SDAT suggests simplifying the legislation, removing the additional IT costs, and adding language to the MD Tax Return stating that "if you own and live in your home and your gross household income is less than \$60,000 and your net worth is less than \$200,000 not including the value of your home, you may be eligible for the Homeowners' Tax Credit, with an average credit of \$1,400. Visit [taxcredits.sdat.maryland.gov](http://taxcredits.sdat.maryland.gov) for more information and to apply."

It is SDAT's goal to direct more customers to Maryland OneStop, where applications can be processed quicker and more efficiently than paper applications.

**For these reasons, SDAT offers this Letter of Information and strongly urges a reconsideration of SB0809 in its current form.**