



**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

Susan Francis  
*EXECUTIVE DIRECTOR*

**BOARD OF DIRECTORS**

Anthony P. Ashton  
*PRESIDENT*

Alexandria K. Montanio  
*VICE PRESIDENT*

David G. Sommer  
*TREASURER*

Penny J. Minna  
*SECRETARY*

Tyree Ayres  
Shereefat O. Balogun  
Matthew M. Bryant  
Jhonell Campbell  
Richard L. Costella  
Brian Gordon  
La'Tika Howard  
Dr. Ann Irvine  
Robin Leone  
Reba Letsa  
Saad Malik  
Michael March  
Amy M. McClain  
Dana W. McKee  
Charles J. Morton, Jr.  
Derek P. Roussillon  
Marc E. Shach  
Dennis J. Shaffer  
James Tansey

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.