



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