



**Testimony SB 181
Budget & Taxation Committee
January 19, 2022
Position: FAVORABLE**

Dear Chairman Guzzone & 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 181 helps homeowners who missed the Homeowners' Property Tax Credit's October 1 application deadline but are otherwise eligible get the tax credit. This bill waives the application deadline for first time Homeowner Property Tax Credit applicants, and those who have applied for the three years prior but missed the deadline this year.

Hundreds of homeowners have lost their homes to sales of liens on unpaid local taxes over the last twenty years. Tax-debt sales enable powerful, wealthy, corporate actors to use the law to bully and exploit the state's most vulnerable residents. The majority of these homeowners are elderly and black in Maryland. These are also the group that has been hit hard by the Covid-19 pandemic. These vulnerable residents have faced death, cognitive decline and home loss in the last two years.

The homeowners' tax credit is the most effective strategy in Maryland to remove low-income households facing tax sale. Any effort to increase access to the homeowners' credit complements the effort to reform tax sale.

We urge your favorable report.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network