

Testimony to the House Ways and Means Committee

HB203: Homestead Property Tax Credit Program - Retroactive Qualification and Calculation of the Credit Position: Favorable

February 1, 2022

The Honorable Vanessa E. Atterbeary, Chair
House Ways & Means Committee
Room 131, HOB
Annapolis, MD 21401
cc: Members, Ways & Means Committee

Chair Atterbeary and Members of the Committee:

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

We are in support of HB203.

For more than five years, MCRC has helped homeowners, particularly older adults and disabled adults, apply for the Homeowners Property Tax Credit (HOTC). MCRC has led marketing campaigns, trained financial and housing counselors, VITA staff, and legal service providers on how to assist homeowners in applying for the tax credit and served as a sounding board when colleagues ran into trouble with the application process. In 2021, MCRC returned \$86,745.07 in tax credits to financially fragile older adults.

In Baltimore, we have been able to help homeowners avert tax-sale foreclosure because of these tax credits. Recently, one of our applicants was awarded \$5,886.19 for three years of retroactive tax credits. He was able to use these credits to pay property taxes and some of his past due water bills, allowing him to stay in his home.

HB203 allows applicants of the HOTC to more easily qualify retroactively for the credit. We stand in strong support of HB203's provision to allow for this retroactive qualification. Doing so would extend the benefit of receiving retroactive tax credits to many financially vulnerable Marylanders, giving them the ability to keep up with bills during these financially strenuous times, the autonomy to make financial decisions about their homes, and the ability to pass down the wealth they have built in the equity of their homes to future generations.

For all of these reasons, we support HB203 and urge a favorable report.

Sincerely,
Isadora Stern
Policy Associate