

# **Written Testimony HB 897-SB 826 - 3 year HTC renew**

Uploaded by: Allison Harris

Position: FAV



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**HB 897/SB 826**  
**HOMEOWNERS' PROPERTY TAX CREDIT – QUALIFIED**  
**HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE**  
**MARCH 8, 2023**  
**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 HB 897/SB 826 because low-income homeowners would benefit from a longer renewal period of their Homeowners’ Tax Credit to help prevent the loss of their homes.**

Over the past eight years, PBRC has assisted nearly 800 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes, not an unwillingness. The clients served by our tax sale prevention clinics held in Baltimore in 2022 represented some of our state’s most vulnerable citizens: 74% were seniors, 39% were disabled, 76% identify as Black, and 76% reported annual household incomes of less than \$30,000. On average, our 2022 Baltimore clients encountered in our clinics had owned their homes for 32 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 three years before renewing the credit 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 HB 897/SB 826, 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 HB 897/SB 826.**

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.  
[aharris@probonomd.org](mailto:aharris@probonomd.org) • 443-703-3050

# **SB 826 - Homeowners Property Tax Credit - FAV - RE**

Uploaded by: Christa McGee

Position: FAV



**Senate Bill 826 – Homeowners Property Tax Credit – Qualified Application and Certification Requirements**

**Position: Support**

Maryland REALTORS® supports SB 826 which would modify the current application requirements associated with the Homeowners Property Tax Credit among individuals whose incomes are limited to their social security benefits, pensions, or annuities.

Currently, to be eligible to receive the Homeowners Property Tax Credit, individuals are required to reapply for the tax incentive on an annual basis and certify their gross income. This bill would allow individuals whose gross income is limited to social security benefits, pensions, and annuities to receive the credit for three years before they would have to reapply, provided they certify their income on an annual basis.

REALTORS® support efforts to reduce the amount of time and unnecessary paperwork required to take advantage of this tax credit; and therefore, request a favorable report on Senate Bill 826.

**For more information contact [lisa.may@mdrealtor.org](mailto:lisa.may@mdrealtor.org) or [christa.mcgee@mdrealtor.org](mailto:christa.mcgee@mdrealtor.org)**

# **Senate Bill 826 - FINAL Written Testimony - 3.7.23**

Uploaded by: Lorna Henry

Position: FAV



**MARYLAND  
LEGAL AID**

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

**03/07/23**

**Senate Bill 0826**

**Homeowners' Property Tax Credit - Qualified Homeowner –  
Application and Certification Requirements**

In the Senate Budget & Taxation Committee

Hearing on March 8, 2023

**Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on SB 0826 at the request of bill sponsor, Senator Antonio Hayes.*

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters including housing, family law, public benefits, bankruptcy and other debt collection matters, as well as criminal record expungements.

Maryland Legal Aid asks that the Committee report **favorably** on SB 0826.

SB 0826 allows homeowners whose gross income includes income only from Social Security benefits, pension, or an annuity to automatically qualify for the Homeowners' Property Tax Credit. This bill also requires that such homeowners apply only once every three years rather than every year in order to receive the credit. For any year in which an application is not required, the homeowner would certify that their gross income information has not changed.

MLA represents many low-income clients with tax sale, housing and foreclosure issues across the State of 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. Notably, MLA also has elderly and disabled clients who face foreclosure or tax sale simply because they forgot to reapply for the tax credit. MLA attorneys attempt to prevent this from happening by sending out the application with instructions every year, but some clients still forget or are unable to apply and they have no one to assist them with their financial affairs.

One of MLA's clients, an 80-year-old resident taking care of her disabled son, had contacted MLA to find out why her mortgage payment 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 the prior year and did not realize that was the sole reason for the drastic increase in her mortgage payment. Due to this unexpected increase, she became very concerned that she would

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no longer be able to afford her home since she was on a fixed income. MLA explained to the client the reason for the increase in her mortgage payment and assisted her in resolving this situation.

SB 0826 reduces the likelihood that this situation would happen again to MLA's client or any other qualified homeowner under this bill. This legislation requires that a homeowner submit the application once every three years, as long as they continue to qualify financially. This prevents an eligible homeowner from being penalized for simply failing to resubmit their application and makes it easier for all homeowners to receive the tax credit which is designed to make homeownership more affordable.

Additionally, many low-income homeowners with no mortgage or escrow account miss the deadline to reapply for the tax credit. Elderly homeowners with home equity conversion mortgages or reverse mortgages also fail to apply for this program and may face foreclosure, because failure to remain current on property taxes is a default which can result in the loss of their homes. SB 0826 helps homeowners and would also assist lenders and local governments by preventing residential properties from falling into tax sale and mortgage foreclosure.

This bill is a crucial piece of legislation that will stem the tide of housing loss across the State, especially for some of our most vulnerable residents.

**Maryland Legal Aid urges the Committee to issue a FAVORABLE report on SB 0826.**

If you have any questions, please contact Lorna Henry, Staff Attorney, (410) 951-7652, [Lhenry@mdlal.org](mailto:Lhenry@mdlal.org).