
HB 665

**COMPTROLLER AND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION -
ENHANCING ACCESS TO PROPERTY TAX BENEFITS - REPORT
HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
FEBRUARY 21, 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 665 because establishing collaboration and information-sharing between the Comptroller's office and the State Department of Assessments and Taxation would ensure more low-income homeowners access the Homeowners' Tax Credit Program, which is critical to their ongoing ability to afford their property taxes.

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 that includes complete income documentation. One burden to applying or re-applying that we hear from our mostly senior clients is their inability to use or access technology to copy and upload documentation, or their inability to find a copier and mail the documents due to mobility issues. 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 homeowner out of the risk of tax sale foreclosure and the distinct possibility of losing their home. If the Comptroller shared income information with SDAT for purposes of confirming income eligibility, homeowners could more easily apply for the property tax credit, the system could possibly allow for automatic renewals, and far more homeowners would pay their taxes, avoid tax sale foreclosure, and keep their homes and the equity their families have worked to build.

PBRC supports HB 665, 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 665.

Please contact Allison Harris, Director of PBRC's Home Preservation Project, with any questions.
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