
HB 404

**PROPERTY TAX - STATEWIDE OPTIONAL CREDIT FOR HOMEOWNERS WHO HAVE SUFFERED A HARDSHIP
HEARING BEFORE THE HOUSE WAYS & MEANS COMMITTEE**

FEBRUARY 14, 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 pro bono civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics. **PBRC supports HB H04 because vulnerable homeowners would benefit from increased access to the 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 has a low eligibility threshold set at \$60,000 per household. We have found over the years that the majority of the homeowners we see are facing tax sale after one missed property tax payment, having paid their taxes on time for years or decades. The missed payment is often the result of an unexpected challenge that has befallen the family: a medical emergency or newly-diagnosed condition, or a job loss. Allowing homeowners who did not initially meet the income eligibility guidelines but who have experienced such a hardship that severely impacted their finances to apply for the property tax credit would enable 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 H04, which will 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 H04.

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

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