

# **Written Testimony HB 154 -SB 286-Retroactive HOTC**

Uploaded by: Allison Harris

Position: FAV



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## HB 154/SB 286

### HOMEOWNERS' PROPERTY TAX CREDIT – APPLICATION FILING DEADLINE – EXTENSION FOR HOMEOWNER PROTECTION PROGRAM ENROLLEES

#### HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE

January 17, 2024

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 154/SB 286 because vulnerable homeowners would benefit from access to retroactive Homeowners’ Property Tax Credits to help prevent the loss of their homes and solidify community stability.**

Over the past nine 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. The clients served by our tax sale prevention clinics held in Baltimore in 2023 represented some of our state’s most vulnerable citizens: 60% were seniors, 30% were disabled, 72% identify as Black, and 78% reported annual household incomes of less than \$30,000. Through the advocacy of volunteer attorneys, many of these clients can access programs and credits that reduce their property tax burden allowing them to stay in their homes. However, most Maryland homeowners are unrepresented.

On average, our 2023 Baltimore clients encountered in our clinics had owned their homes for 24 years, and 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 Program, and failure to apply for the credit frequently lands families in tax sale. Maryland has recently created the Homeowner Protection Program (HPP) to allow many of those families facing tax sale to receive a loan and to enroll in a payment program to repay their tax delinquency over time. Nonetheless, that tax burden may be high and out of reach for some. Allowing up to three years of retroactive property tax credits for homeowners enrolled in the HPP would enable far more homeowners to stay on track to pay off their tax delinquencies, avoid foreclosure, and keep their homes and the equity their families have worked to build.

PBRC supports HB 154/SB 286, 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 while stabilizing our neighborhoods. Thank you for the opportunity to testify.

### **PBRC urges a FAVORABLE report on HB 154/SB 286.**

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.  
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**CDN SB286 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony SB 286  
Budget & Tax Committee  
January 17, 2024  
Position: FAVORABLE**

Dear Chairman Guzzone and Members of the Budget and 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. CDN helped to establish the Homeowner Protection Program in Maryland and we are excited by its progress.

SB 286 authorizes the State Department of Assessments and Taxation to accept an application for the homeowners' property tax credit submitted by a homeowner within 3 years after April 15 of the taxable year for which the credit is sought if the homeowner is enrolled in the Homeowner Protection Program.

Most of the people in the state impacted by tax sale foreclosure are older, single, African American women living at or below the poverty line who owe less than \$3000. Few were aware of the state Homeowner's Tax Credit, the state Homestead Tax Credit, the Homeowner's Assistance Fund or the housing and financial counselors and legal service providers available to help them apply for the programs. Further, the Homeowner Protection Program can be a lifeline for these households and extend the time that they can help older homeowners to age in place and remain in homes purchased more than 20 years ago.

For these vulnerable homeowners, tax sale foreclosure can strip away generational wealth and housing stability. For the communities that these older adults live in, this can become an empty house and the beginning of neighborhood decline. For the state of Maryland, this event adds to the unprecedented number of seniors facing housing instability.

We urge your favorable report for SB 286.

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

**SDAT\_SB0286\_Support.pdf**

Uploaded by: Director Michael Higgs

Position: FAV

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Governor  
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**HEARING DATE:** January 17, 2024

**BILL:** SB0286

**TITLE:** Homeowners' Property Tax Credit - Application Filing Deadline - Extension for Homeowner Protection Program Enrollees

**SDAT POSITION:** SUPPORT

The Department of Assessments and Taxation Supports Senate Bill 286 - Homeowners' Property Tax Credit - Application Filing Deadline - Extension for Homeowner Protection Program Enrollees. This legislation would extend the deadline for homeowners to apply for the Homeowner's Property Tax Credit if they are already enrolled in the Homeowner Protection Program.

The Department implemented the Homeowner Protection Program (HPP) to assist vulnerable homeowners who are at risk of entering or are already in tax sale. The Department pays the enrollee's delinquent taxes and fees in the form of a loan, to be repaid on a schedule that is affordable to each enrollee. As part of the program, the Department offers guidance and resources to avoid the risk of entering tax sale in the future and explores other available resources to clear any present debt. All individuals who qualify for the Homeowner's Protection Program also qualify to receive the Homeowner's Tax Credit (HTC), an existing tool which is vital to keeping vulnerable residents in their homes by significantly reducing their property tax burden. To continue strengthening the HPP by leveraging existing resources, HB 154 would allow enrollees in the HPP to apply for the HTC after the standard deadline. This would ensure that residents at greatest risk are able to take emergency measures to leave tax sale, clear their debt, and stay in their homes.

Accordingly, the Department respectfully requests a **FAVORABLE** report on SB 286.

# **CLC Written Testimony SB 286 - Homeowners Property**

Uploaded by: Shana Roth-Gormley

Position: FAV



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**SB 286**

**Homeowners' Property Tax Credit – Application Filing Deadline – Extension for  
Homeowner Protection Program Enrollees**

Hearing before the Senate Budget and Taxation Committee

Jan. 17, 2024

**POSITION: Favorable**

Community Law Center (CLC) is a 501(c)(3) nonprofit organization, which is a legal partner to Maryland neighborhoods and nonprofits in pursuit of more just and vibrant communities. CLC provides direct legal representation to communities and nonprofits on issues like tax exemption and organizational governance, real estate, contracts, intellectual property, employment law, and more. We advocate on issues that impact our Maryland neighborhood and nonprofit clients, including to reform the tax sale system and to prevent and redediate property vacancy and abandonment.

**CLC supports SB 286 to increase access to the Homeowners' Property Tax Credit.** Making this tax credit easier to access for homeowners enrolled in the Homeowner Protection Program will ensure that homeowners are able take advantage of this tax credit to make their homes more affordable and build and preserve generational wealth. Accessing the tax credit and the Homeowner Protection Program will help keep homeowners in their homes, thus strengthening their surrounding communities by keeping properties occupied and preventing property abandonment and vacancy.

CLC supports SB 286. Thank you for the opportunity to testify.

For the above reasons,

**CLC urges a FAVORABLE VOTE ON SB 286.**

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.

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