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THE MARYLAND HOUSE OF DELEGATES
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Testimony in Support of
HB 16: Tax Sales - Homeowner Protection Program – Funding
March 26, 2024

Chair Guzzone and esteemed members of the Budget and Taxation Committee, it is my pleasure to come before you and offer testimony in favor of **House Bill 16: Tax Sales – Homeowner Protection Program – Funding**.

Thank you to the committee for helping to create the Homeowner Protection Program back in 2021. As per the fiscal note from then, the program was created to divert vulnerable homeowners from the private tax lien sale process to minimize cost for homeowners, help them pay their taxes, and most importantly, to allow them to remain in their homes.

That law also created a special, nonlapsing fund to finance the program and initially required a \$750,000 state investment for three consecutive years. This fund is also sustained by tax and interest payments as well as by interest earnings. But given that the State Department of Assessment and Taxation (SDAT) must limit enrollment based on the level of funds in the program, more funds are needed to help more distressed homeowners.

As you know, people in tax sale are typically low-income people who simply can't afford their property taxes without assistance. The average homeowner in tax sale is a low-income senior who has lived in their home for at least 15 years, with a household income of \$30,000 or less per year. A large number are African American women and/or those who have a disability.

This bill is designed to do three things, with two provisions related to the funding. First, there is a \$15 fee on each tax sale certificate. Second, SDAT will encourage people to make voluntary contributions on their website.

The third provision requires SDAT to include an insert in everyone's property tax bill that describes the benefits of the Homeowner Protection Program. This builds on the phenomenal Tax Sale Ombudsman at SDAT. The Ombudsman helps homeowners understand their property tax bill, learn about the Homeowner Projection Program, *and* find out about their possible eligibility for programs such as the Homeowners Property Tax Credit and the Maryland Homestead Tax Credit. Beyond that, homeowners learn about other public benefits and social services they may be eligible for. Above all, this provision increases the odds that eligible Marylanders learn about a beneficial state program.

Thank you for your attention to this important issue. I urge a favorable report on **House Bill 16**.
Thank you.