



**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