



WES MOORE  
Governor  
ARUNA MILLER  
Lt. Governor  
JACOB R. DAY  
Secretary  
JULIA GLANZ  
Deputy Secretary

**DATE:** March 26, 2024  
**BILL NO.:** House Bill 16  
**TITLE:** Tax Sales – Homeowner Protection Program – Funding  
**COMMITTEE:** Senate Budget and Taxation Committee

### Letter of Support

#### **Description of Bill:**

House Bill 16 requires collectors of property taxes to include with property tax bills an insert describing the Maryland Homeowner Protection Program and encouraging taxpayers to make voluntary donations to the program and requires purchasers of tax sale certificates to pay a \$15 fee, which goes to the Homeowner Protection Fund, at the time of purchase.

#### **Background and Analysis:**

Maryland's Homeowner Protection Program assists eligible limited-income homeowners with payment of property tax liens on their residences, preventing loss through tax sale foreclosure. Priority enrollment in the program is given to seniors and those receiving disability benefits. The program, administered by the Department of Assessments and Taxation, is currently primarily funded by a combination of tax and interest payments made to SDAT by homeowners enrolled in the program and money appropriated in the state budget – by statute, \$750,000 per year through fiscal year 2025. Currently, the program anticipates full enrollment of about 75 homeowners in FY24, increasing to 125 in FY25, and, with the same funding, expects that number to remain about the same through FY28.

This bill's establishment of two new sources of funding for the Homeowner Protection Program would allow SDAT to expand the program to help more vulnerable Maryland homeowners in need of assistance, with no requirement of general fund expenditure. In 2022, just over 12,000 tax sale certificates were sold statewide. Collecting a \$15 fee dedicated to the Homeowner Protection Program for each of those certificates would result in an additional \$180,000 per year for the program, assuming the number of certificates sold remains the same. While it is not possible to predict what amount of funding would be received through voluntary donations, every dollar dedicated to this valuable program helps keep some of Maryland's most vulnerable homeowners in their homes.

#### **DHCD Position:**

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on House Bill 16.

