



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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