



**Testimony SB 342**  
**Budget & Taxation Committee**  
**January 24, 2024**  
**Position: FAVORABLE**

Dear Chairman Guzzone & Members of the Budget & 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.

SB 342 helps homeowners by excluding the cash value of any qualified retirement savings plans or individual retirement accounts from the definition of "assets" for purposes of certain property tax relief provided to certain renters.

Most of the people in the state impacted by tax sale are older, single, African American women living at or below the poverty line. In 2019, the average amount owed was just under \$3000. Housing counselors, social service and legal partners have found that though many of their clients are eligible for the Homeowner's Tax Credit Program, few had applied or were aware of the program. For these vulnerable homeowners, the tax sale can strip away generational wealth and housing stability. As assessments have increased, many of the single homeowners are vulnerable to loss of their home to tax sale foreclosure.

Removing the cash value of retirement accounts from the asset calculation could make a significant difference for older adults living on the edge of housing insecurity. In Maryland, older adults who face increased costs of medication, food as well as transportation and other goods and services. For some, this change will help to save generational wealth and help many older adults to remain in their homes and communities.

We urge your favorable report for SB 342.