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HEARING DATE: March 26, 2024

BILL: SB0286

TITLE: Homeowners' and Homestead Property Tax Credits - Application Filing Deadline - Extension

SDAT POSITION: SUPPORT WITH AMENDMENTS

The Department of Assessments and Taxation Supports Senate Bill 286 - Homeowners' and Homestead Property Tax Credits - Application Filing Deadline - Extension. This legislation would extend the deadline for homeowners to apply for the Homeowner's Property Tax Credit if they are already enrolled in the Homeowner Protection Program, and allow homeowners to retroactively apply for the Homestead Tax Credit.

The Department implemented the Homeowner Protection Program (HPP) to assist vulnerable homeowners who are at risk of entering or are already in tax sale. Under this program, SDAT pays the enrollee's delinquent taxes and fees in the form of a loan, to be repaid on a schedule that is affordable to each enrollee. The Department offers guidance and resources to avoid the risk of entering tax sale in the future and explores other available resources to clear any present debt.

Most individuals who qualify for the Homeowner's Protection Program also qualify to receive the Homeowner's Tax Credit (HTC), an existing tool which is vital to keeping vulnerable residents in their homes by significantly reducing their property tax burden. To continue strengthening the Homeowner's Protection Program by leveraging existing resources, Senate Bill 286 would allow enrollees to apply for the Homeowner's Tax Credit after the standard deadline and apply for previous years' credits. This would ensure that residents at greatest risk are able to take emergency measures to leave tax sale, clear their debt, and stay in their homes.

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As amended in the Senate, this bill now allows certain qualified applicants and HPP enrollees to retroactively qualify for the previous two years' homestead tax credit. The Department appreciates and agrees with the spirit of the amendment. In order to codify SDAT's current implementation policy, the Department respectfully requests a technical amendment to clarify that this bill applies to the individuals most in need - the elderly and those at risk of entering tax sale. The Department is concerned that if the current statute remains unchanged, Counties may be liable for significantly higher shortfalls in revenue than ever intended.

Accordingly, the Department respectfully requests a **FAVORABLE** report on Senate Bill 286.