



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**House Bill 1251
In the House Ways and Means Committee – Property Tax – Credit
for Longtime Residents to Offset Property Tax Rate Increase
Hearing on March 5, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on HB 1251 in response to a request from Delegate Metzgar.

Maryland Legal Aid (MLA) represents low-income homeowners in foreclosure mediations, tax sales, litigation connected to foreclosure, foreclosure matters, and bankruptcies connected to home preservation. MLA also helps many clients to apply for the homeowners, homestead, and renters property tax credits. House Bill 1251 permits Baltimore City to create an additional, independent tax credit for older, long-time homeowners in Baltimore City to offset property tax increases in the future. Because HB 1251 provides a credit that will assist older, low-income homeowners, MLA testifies in strong support of this bill.

HB 1251 will provide an additional tax credit to offset increases in property taxes for long-term, older city residents. By providing these credits, Baltimore City will make it less likely that older, low-income homeowners will default on their property taxes, thus averting the adverse effects of a property tax delinquency. Those negative consequences include loss of a home due to tax sale, reverse mortgage foreclosure, loss of homeowners insurance or other negative results. By providing this additional tax credit to offset future tax increases, Baltimore City makes it less likely that the adverse consequences associated with a property tax default occur.

In addition, by preventing the adverse consequences of property tax default from occurring, HB 1251 makes it easier for older, low-income Baltimore City residents to afford to remain in their homes and maintain homeownership, which will make it more likely that they can pass generational wealth to future generations. Historically, current and past policies in Baltimore City and other major cities have interfered with homeownership and wealth building for low-income homeowners, especially low-income African-American homeowners.¹ By creating an additional credit for low-income, elderly Baltimore City homeowners, HB 1251 helps prevent tax sales and the loss of home equity in low-income minority communities, which will assist in closing the wealth gap that exists between African-Americans and whites in Baltimore City.

Because HB 1251 provides a tax credit in Baltimore City that makes it less likely that older, low-income Baltimore City residents default on their property taxes, MLA testifies in strong support of HB 1251 and urges a favorable report. If you need additional information in regards to this bill, please contact William Steinwedel at wsteinwedel@mdlaborg and (410) 951-7643.

¹ See https://www.urban.org/sites/default/files/publication/103267/closing-the-gaps-building-black-wealth-through-homeownership_1.pdf.