

Testimony

Renters' Property Tax Relief and Homeowners' Property Tax Credit Programs - Gross Income and Assessed Value Limitations - Alterations

Position: Favorable

February 1, 2024

Good afternoon, members of the House Ways and Means Committee.

My name is Sarah Reddinger and I'm the Vice President of Community Development with Habitat for Humanity Metro Maryland. Habitat Metro Maryland is a nonprofit serving Montgomery and Prince George's Counties that builds, sells, and preserves affordable homeownership in partnership with limited income families.

Habitat would like to thank Delegate Charkoudian for sponsoring this important legislation. We enthusiastically support House Bill 44 as it expands access to the Renter's and Homeowner's property tax credit at a time when many families are struggling to make ends meet.

Lack of access to affordable housing is a pervasive issue in Maryland and nationwide, and to solve this crisis, we need to develop new housing and ensure existing homes remain affordable. For the past 14 years, Habitat has worked with hundreds of homeowners, on limited incomes, to ensure they could afford health, safety, accessibility, and energy efficiency improvements in their homes. Much of the work we've done has been in partnership with state agencies. While these services are a necessary step in ensuring long term affordability, many homeowners are still at risk of losing their homes due to increasing property taxes.

As we all know, the COVID19 pandemic continues to affect the lives of Marylanders through loss of income, loss of loved ones, inflation, sky rocketing home values, increasing interest rates and in so many other ways. Every day, families are making impossible choices between paying for housing and food, transportation, healthcare, education, and more.

Increasing the income limit, excluding public assistance from gross income, and increasing the maximum assessed value are three important steps to ensuring renters and homeowners can afford to stay in their homes. The current income limit of \$60,000 has not been raised since 2009 and the asset value cap since 2016, meaning neither have been raised since the start of the pandemic.

For homeowners, the inability to pay property taxes can cause the forced sale of their homes or the loss of their homes through tax sale. This leads to displacement, disruption of stability, and the destruction of wealth.

While we understand that property taxes are a critical source of income for many important services in our State, we must also ensure that they don't jeopardize homeownership for vulnerable residents and the stability and generational wealth building that comes with it.

Thank you for your time and consideration.

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