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Legislative District 20
Montgomery County

Economic Matters Committee

Subcommittees

Public Utilities

Chair, Unemployment Insurance



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THE MARYLAND HOUSE OF DELEGATES
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HB 44- RENTERS' PROPERTY TAX RELIEF AND HOMEOWNERS' PROPERTY TAX CREDIT
PROGRAMS- GROSS INCOME AND ASSESSED VALUE LIMITATIONS- ALTERATIONS

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

FEBRUARY 1, 2024

Chair Atterbeary, Vice Chair Wilkins, and Members of the Ways and Means Committee,

Currently in Maryland, home prices and property taxes are rising. In my district, along the Purple Line Corridor, some communities which used to have the most affordable single-family homes as recently as 10 years ago now have median home prices that have doubled in real terms. These skyrocketing prices can create a cost burden because soaring home values mean higher property taxes. Particularly for low-income and fixed income households, the rise of property taxes in conjunction with mortgage payments, utilities, repairs, renovations, and other associated expenses can cause individuals to experience housing insecurity and extreme financial stress.

The Renters Property Tax Credit Program and Homeowners Property Tax Credit Program support housing stability for Marylanders by effectively setting a limit on the amount of property taxes a resident will pay. Both programs provide a credit or refund check against the person's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. The Renter's Tax Credit Program acknowledges that renters indirectly pay taxes as part of their rent.

The income cap for these programs was established 15 years ago. Now, in 2024, homeowners are facing a host of economic stressors including inflation, steeply increased cost of living, inflated home values, and significant investment in urban centers to create multi-modal transportation networks.

Further, in the current definition of income for both programs, public assistance received in cash grants (such as TCA and TANF) counts toward your income.

This legislation updates the programs by increasing the household gross income limit to \$70,000, increasing the allowable maximum value of dwellings from \$300,000 to \$450,000, and excluding public assistance received in cash grants from the definition of "gross income".

I respectfully request a favorable report on HB 44.