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## HB 1014: Fair Share for Maryland Act of 2025 House Ways and Means Committee, February 20, 2025 Position: **Favorable**

Public Justice Center strongly supports HB 1014, Fair Share for Maryland Act of 2025, and urges you to issue a favorable report.

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. The PJC provides advice and representation to low-income clients, advocates before legislatures and government agencies, and collaborates with community and advocacy organizations; we actively incorporate anti-racism and racial equity goals into our advocacy work.

Public Justice Center's clients are dramatically impacted by the State's lack of fair, balanced revenue to promote equitable growth and leave no one behind. For example, PJC represents or advises over 800 renters facing eviction or dangerous housing conditions each year. Many of these renters are in desperate need of eviction prevention funds, and yet the FY 26 proposed budget cuts funding for eviction prevention funds from \$10 million in FY 25 to \$5 million in FY 26.

Without the Fair Share for Maryland Act, the State will continue to struggle to allocate even the **\$10** million allocated last year for eviction prevention funds. Eviction prevention funds pay 1-3 months of past due rent for families facing a short-term crisis — ensuring a missed month's rent doesn't become a catalyst for homelessness. Based on a recent <u>study by Stout Risius & Ross, by</u> investing \$10 million in FY 26, Maryland can stop the evictions of 3,747 families at the highest risk of homelessness.<sup>1</sup>

We understand that Maryland is facing a significant budget deficit, but with the Trump Administration's drastic proposed cuts to the social safety net and assault on our basic rights, the need to maintain eviction prevention funds has never been more urgent. **Cutting eviction** 

<sup>&</sup>lt;sup>1</sup> Based on analysis in Assessment of Maryland's Need for Eviction Prevention Funds (EPF) and the Estimated Fiscal Impact of EPF by Stout Risius & Ross, Dec. 19, 2023, and related MEPFA Policy Analysis, both available at <a href="https://mdeconomy.org/eviction-prevention-funds/">https://mdeconomy.org/eviction-prevention-funds/</a>

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prevention funding will only harm residents who are living closer to the financial edge than ever and cause Maryland's budget deficit to grow larger. <u>Every dollar spent on eviction prevention</u> <u>saves the State \$2.39.</u>

Preventing eviction saves the state money by reducing homelessness and state-funded safety net costs related to shelter, educating students experiencing homelessness, health care, institutionalization of people with disabilities, foster care, decreased incarceration, and the economic impacts of increased employment and income stability.

**Eviction Prevention Funds help right past racial wrongs.** Maryland's long history of housing segregation and other discriminatory policies mean that Black and Brown Marylanders are much more likely to be at risk of eviction. <u>73% of households obtaining eviction prevention funds in</u> <u>Maryland identified as Black.</u>

Almost 50% of Maryland renters are housing cost burdened – including 25% of renters who pay over half of their income toward rent. Evictions throughout the state are rising back to prepandemic levels (21,284 in FY 24). When these families experience any disruption in income, they quickly face an eviction action and potential spiral into poverty and homelessness.

## Without the Fair Share for Maryland Act, however, the State will continue to have difficulty allocating even the \$10 million in funding that was allocated in FY 25 – let alone meeting the need.

The Fair Share for Maryland Act will:

- Raise at least \$1.6 billion per year in new revenue when fully phased in
- Lower taxes for more than 1.3 million Marylanders by expanding the Child Tax Credit and Earned Income Tax Credit
- Close corporate tax loopholes to ensure wealthy multinational corporations can't avoid paying state taxes
- Balance our upside-down tax system and ensure millionaires pay their fair share by adding upper income tax brackets and adding a surtax on investment income

We can't grow our economy if we are cutting back on essential government support for public schools, child care, affordable housing, and transit service. Businesses – and the Maryland workers they employ – value these services and it's only fair that the largest corporations pay their share, just like our Maryland small businesses and working families already do.

And, it's wrong that the wealthiest Marylanders, those earning more than \$700,000 per year, pay a lower tax rate than those in any other income group. The Fair Share for Maryland Act will help address this.

Public Justice Center urges the Committee to provide a favorable report on HB 1014.