

Senate Bill 812 Written Testimony.pdf

Uploaded by: Antonio Hayes

Position: FAV

ANTONIO HAYES
Annapolis, Maryland 21401
Legislative District 40



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Bill: Senate Bill 812

Title: Homeowners' Property Tax Credit - Eligibility and Calculation - Alterations

Committee: Budget and Taxation

Sponsor: Senator Antonio Hayes

Good afternoon, Chair, Vice Chair, and members of the Budget and Taxation Committee,

For the record, I am Senator Antonio Hayes, and I am here to present **Senate Bill 812**. This legislation is a vital measure to modernize our state's Homeowners' Property Tax Credit, ensuring it provides meaningful relief to Maryland's working families and seniors in the face of rising living costs.

The Homeowners' Property Tax Credit is one of our most effective tools for preventing housing instability. However, the income brackets and eligibility limits currently in statute have not kept pace with inflation or the economic reality of owning a home in 2026. Many homeowners who are struggling to make ends meet currently earn just enough to disqualify them from assistance, or they receive a credit that is too small to make a real difference.

SB 812 expands eligibility and significantly increases the value of the credit by adjusting the calculation formula in two key ways:

- 1. Expanding Eligibility:** The bill raises the combined gross income limit for eligibility from \$60,000 to **\$100,000**. This change acknowledges that a household earning \$70,000 or \$80,000 today often faces the same housing insecurity as lower-income households did a decade ago.
- 2. Updating the Calculation Formula:** The bill restructures the income brackets to reduce the tax burden on lower-income homeowners:
 - o 0% Tax Liability:** It increases the threshold for the 0% tax liability bracket from the first \$8,000 of income to the first **\$15,000** of income.

- **Lower Rates for the "Missing Middle":**
 - For the next \$7,500 of income (up from \$4,000), the rate is reduced from 4% to **3%**.
 - For the subsequent \$7,500 of income, the rate is reduced from 6.5% to **6%**.
- **High Income Threshold:** The threshold at which the 9% rate applies is raised from \$16,000 to **\$30,000**.

By updating these outdated formulas, we are ensuring that the Homeowners' Property Tax Credit functions as intended—as a safety net that allows long-time residents and working families to remain in their homes and communities.

This Act will take effect June 1, 2026, and apply to taxable years beginning after June 30, 2026. I respectfully request a favorable report on Senate Bill 812.

Position: Favorable

SB812 Homeowners Property Tax Credit.pdf

Uploaded by: Dan Ellis

Position: FAV



Neighborhood Housing Services of Baltimore, Inc.

March 2, 2026

Senator Guy Guzzone, Chair
Miller Senate Office Building
3 West
Annapolis, Maryland 21401

RE: Senate Bill 812

Honorable Chair Guzzone and Members of the Committee:

I am the Chief Executive Officer of Neighborhood Housing Services of Baltimore (NHS), and a resident of Baltimore City. Our organization believes that economic and social justice are a right for all residents and communities. We promote this belief by removing barriers of access to homeownership, helping resident access resources to maintain their homes, and supporting communities historically impacted by systemic disinvestment.

SB812 raises the eligibility threshold for homeowners utilizing the Homeowners Property Tax Credit (HPTC) in Maryland. This tax credit is a critical tool that supports lower income homeowners with property taxes. Many homeowners across the state face a dilemma as they age into retirement. Their home is paid off but the property taxes can be problematic on fixed income. The HPTC provides critical support for these and other residents across the state allowing them to remain in their homes. The support provided by the state has not been changed for over 20 years. This has reduced the impact of the program. SB812 adjusts the income thresholds for the program. This is long overdue and a critical change needed to support our most vulnerable residents.

SB812 increases the income threshold and amount of support provided through the Homeowner Property Tax Credit program. We ask that the Committee issue a ***favorable*** report on SB812.

Sincerely,

A handwritten signature in black ink that reads "D. T. Ellis".

Daniel T. Ellis
Chief Executive Officer



25 E. 20th Street, Suite 170 Baltimore, Maryland 21218
Office: 410-327-1200
Fax: 410-675-1855
www.nhsbaltimore.org

SB 812 - Habitat Chesapeake Written Testimony.pdf

Uploaded by: Melanie du Bois

Position: FAV



*Bringing people together to build
homes, communities & hope*

Senate Budget and Taxation Committee

SB 812

Homeowners' Property Tax Credit - Eligibility and Calculation – Alterations

March 4, 2026

Position: Support

Dear Chair Guzzone and Vice-Chair Rosapepe,

Habitat for Humanity of the Chesapeake is a leading provider of affordable homeownership opportunities in Central Maryland. Over the past 45 years, we have built or renovated more than 800 homes across Baltimore City, Baltimore County, Anne Arundel County, and Howard County, creating stability and opportunity through homeownership for individuals and families. **Habitat Chesapeake is writing to express our strong support for SB 812, which updates the Homeowners' Property Tax Credit program to reflect current economic realities and will help more Maryland individuals and families remain in their homes.**

Our homeownership program is committed to fostering responsible and sustainable homeownership. We offer an extensive homebuyer education curriculum, zero-interest mortgages, and a mortgage payment that is set at 30% of a homebuyer's income. We are providing not only affordable homes, but lasting financial tools for long-term success. Through our work, we know that one of the strongest tools to keep homeownership costs affordable for low to moderate income buyers is the Maryland Homeowners' Property Tax Credit. Our team assists all qualified Habitat homebuyers with filling out and submitting the credit as well as sending out a letter to all our homeowners each winter that includes the reminder of the importance of applying for the credit.

For many of our homebuyers, the Homeowners Property Tax Credit is the essential piece to ensure the continued affordability of their mortgage, especially as assessments and general costs of living continue to increase. Rising property assessments and essential household costs have grown faster than income for many residents, making it more difficult for homeowners to remain in their communities.

SB 812 responsibly updates the Homeowners' Property Tax Credit by increasing the income eligibility limit, something that hasn't been done since 2006. The proposed income eligibility



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increase from \$60,000 to \$100,000 would expand access to the credit for many more Maryland homeowners who are cost-burdened but do not qualify under the current cap.

Expanding this targeted property tax relief that has already proven to be a key tool in affordability will help to preserve affordable homeownership, specifically for households of modest means. Additionally, we would also recommend further analysis on the inclusion of total household income in the calculation of the tax credit. We would ask that income consideration be made to focus on the owner of record or only focus on total household income if certain conditions are met. We work with many individuals and families that have adult children or elderly parents living at home, but who are ultimately not financially responsible for the payment of the mortgage. These situations can mean an inclusion of income that can render the credit impossible for use by a single head of household, lower-income homeowner.

Habitat for Humanity of the Chesapeake respectfully urges the Budget and Taxation Committee to favorably report SB 812 and support its passage. Preserving homeownership is a proven strategy for building intergenerational wealth, stabilizing neighborhoods, and reducing displacement, and we believe this bill aligns with those objectives.

Sincerely,

A handwritten signature in cursive script, appearing to read "Melanie du Bois".

Melanie du Bois
Homeowner Outreach and Support Coordinator

SB0812-BT-FAV.pdf

Uploaded by: Nina Themelis

Position: FAV

BRANDON M. SCOTT
MAYOR

Office of Government Relations



*88 State Circle
Annapolis, Maryland 21401*

SB0812

March 4, 2026

TO: Members of the Senate Budget and Taxation Committee

FROM: Nina Themelis, Director, Mayor's Office of Government Relations

RE: Senate Bill 812– Homeowners' Property Tax Credit - Eligibility and Calculation - Alterations

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 812.

SB 812 increases the maximum combined gross income eligibility for the State Homeowner's Tax Credit from \$60,000 to \$100,000 per household. In addition, the bill increases the income ranges for the credit calculation brackets. This legislation is not an expansion of the credit as much as it is a preservation of intent. The proposed changes reflect the initial intent of the credit by protecting homeowners facing affordability challenges.

Eligibility criteria for the Homeowner's Tax Credit have not been updated since 2006. Since then, there have been massive shifts in the economy, with household incomes, property assessment values, and housing costs increasing substantially. Over the past 20 years the median income has increased by 60% across the state. At the same time, housing costs have increased by 54% across the state.

As these changes in the economy have occurred, the number of credits issued has declined. From Fiscal 2014 to Fiscal 2024, the number of credits issued across the state dropped from 49,978 to 36,862, resulting in nearly 13,000 households foregoing the credit. Within Baltimore City during the same period, the number of credits issued dropped from 10,516 to 6,477, over 4,000 households losing this credit. These declines are assumed to be due in large part to eligibility criteria not keeping pace with economic reality.

The significant impact that the Homeowners' Tax Credit provides can be the difference between financial strain and financial stability for older adults and low- and moderate-income homeowners. Across the state, the average credit amount in 2024 was \$1,552.59. In Baltimore City, the average credit amount in 2024 was \$1,785.38, which covered, on average, 55% of a homeowner's tax bill.

Under this legislation, the City's Department of Finance estimates that over 23,000 properties within Baltimore City could become eligible for the tax credit based on the

increased household income eligibility. In addition, the restructuring of the income bracket tiers for taxable limit purposes increases the benefit for lower-income households. By raising the first income bracket to \$15,000, it is estimated an additional 531 households will be relieved of their real property tax liability within Baltimore City--owing \$0 on their real property tax bill.

As a result of these changes, the average Homeowners' Tax Credit in Baltimore City would increase by over \$866. For a resident who is retired, receiving \$18,000 annually from Social Security, and owns their home, which is assessed at \$120,000, this would result in a \$500 increase in the credit amount. Their taxable limit, which is the net taxes to be paid, would go from \$600 to \$90.

Stabilizing families, residents, and neighborhoods is a critical goal for the Baltimore City Administration, especially for older adults and low- and moderate-income homeowners. Property tax payments can be a challenge for those with a limited income, especially with rising inflation across the economy. Baltimore City is taking a targeted approach, as outlined in the new 10-Year Financial Plan, *Securing Baltimore's Future*, to reduce the tax burden on City residents through additional efforts at the local level.

Securing Baltimore's Future calls for reducing the effective tax rate for residents to \$1.76 by 2035 through direct tax relief and realignment of the tax rate with surrounding jurisdictions. The City is also launching an initiative to boost enrollment in the Homeowner's and Homestead tax credits, which have supplemental City tax credits that add additional tax relief from the City.

SB 812 adjusts income eligibility and credit calculation brackets, which will bring these thresholds in closer alignment with current economic conditions. As a result, thousands of residents across Baltimore City and the state that were previously eligible and received the credit may be eligible again. This is especially important for low-income homeowners on fixed incomes who are facing rising costs in all areas of their lives.

For these reasons, the BCA respectfully requests a **favorable** report on SB 812.

SB812 HTC Ramos Testimony BandT 3.26.pdf

Uploaded by: Odette Ramos

Position: FAV



Odette Ramos

Baltimore City Councilwoman

District 14

(410) 396 - 4814

odette.ramos@baltimorecity.gov

100 N. Holliday Street, Room 553

Baltimore MD 21202

**SB812- Homeowners' Property Tax Credit – Eligibility and Calculation - Alterations
FAVORABLE**

Honorable Chair Guzzone and Members of the Senate Budget and Taxation Committee:

I am writing to urge your support of **SB812- Homeowners' Property Tax Credit – Eligibility and Calculation - Alterations**

The Homeowner's Property Tax Credit is a Maryland credit where residents with incomes below \$60,000 are able to apply and receive a significant reduction in their property tax bills. The jurisdiction then gets paid the amount of the credit from the state.

The Homeowner's Property Tax Credit is a very important credit. It has been used by many of my constituents as they age in place and are able to stay in their homes and avoid tax sale.

SB812 simply raises the eligibility level to \$100,000 income to allow for more people to be eligible.

Baltimore City is particularly interested in this bill as we move toward reinvesting in our communities to remove vacant properties through rehab or demolition. This bill and the changes to the Homeowner's Property Tax Credit will enable our long time residents and their families to stay and enjoy the changes they deserve.

Our goal in Baltimore City is to create intentional mixed income communities. This credit is the cornerstone of that strategy.

Please pass a favorable report for SB812.

Please do not hesitate to contact me should you have any questions. I can be reached on 410-396-4814 or via email at odette.ramos@baltimorecity.gov.

Respectfully Submitted:

Odette Ramos
Baltimore City Councilwoman
District 14

SB 812 on Letterhead.pdf

Uploaded by: Steven Kappen

Position: FAV



JUSTICE FOR ALL

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MARYLAND SENATE BUDGET AND TAXATION COMMITTEE

TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE

IN SUPPORT OF SB 812: HOMEOWNERS' PROPERTY TAX CREDIT -
ELIGIBILITY AND CALCULATION - ALTERATIONS

WEDNESDAY, MARCH 4, 2026

Chair Guzzone and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 812, as it keeps older and vulnerable residents in Maryland in their homes.

My name is Steven Kappen, and I work with low-income older adults every day. This bill is a straightforward acknowledgement of the fact that property taxes have gone up rapidly across the state, and for long-term residents and seniors on fixed incomes, property taxes are the difference between keeping and losing a home. This change will keep older adults in their homes. We request a favorable report on SB 812.

Our Tangled Title team is committed to helping low-income families preserve and pass on their family home, and in that process, we work to connect many residents to the Homeowners' Property Tax Credit. For numerous clients, access to the Homeowners' Property Tax Credit makes the difference between being able to stay in their home or losing it to tax sale and potentially facing homelessness, by placing a reasonable limit on their tax burden.

One limitation of the State tax credit is that the eligibility limits based on income and assessed property value are not indexed to increase with inflation or market changes, and they have not increased in 20 years. Additionally, household size is not taken into consideration, even though the income of all household members must be reported. As a result, this vital resource is out of reach for many Marylanders whose income places their tax bills, not to mention the market rate rent they would be forced to pay if they lose their home, outside of their budget.

With this legislation, the state is taking an important step to protect vulnerable families from losing their homes. By supplementing the state credit to reduce tax burdens for families with a combined household income up to \$100,000, and adjusting the base formula for the credit, Maryland is recognizing how much of a burden increasing costs are placing on

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Maryland Volunteer Lawyers Service (MVLS) removes barriers to justice through free civil legal help, community engagement, and advocacy for equitable laws. Our vision is for a fair legal system that is free of injustice and equitably serves underrepresented Marylanders.

vulnerable homeowners, and how important it is to support and enable our neighbors to remain in their homes.

For these reasons, we strongly support SB 812 and ask you to do the same. Thank you again for the opportunity to testify.

SB 812.pdf

Uploaded by: William Steinwedel

Position: FAV



**Senate Bill 812 – Homeowners Property Tax Credit – Eligibility and
Calculation -- Alterations
Hearing on March 4, 2026 – Budget and Taxation Committee
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 812 in response to a request from Senator Antonio Hayes.

Maryland Legal Aid (MLA) appreciates the opportunity to testify in support of this vital legislation. We are the state’s largest nonprofit law firm, representing thousands of low-income Marylanders every year in matters from housing to family law to matters that focus on senior citizens including social security and Medicaid benefits. In addition, MLA assists dozens of low-income homeowners every year to apply for the state Homeowners Property Tax Credit. Because SB 812 would increase the amount of the Homeowners Property Tax Credit and expand eligibility for the tax credit to reach more people living in poverty, MLA testifies in strong support of SB 812.

While the state Homeowners Property Tax Credit tends to cover the entire property tax bill for low-income homeowners in Baltimore City and some other jurisdictions, in Prince George’s County, Baltimore County, Montgomery County, and Howard County, even the lowest income homeowners generally still have to pay in excess of \$1,000.00 in property taxes a year. If they are unable to do that, their properties will go into tax sale and they have the potential of losing ownership of their homes for a very small amount of property taxes. In addition, if they have a reverse mortgage on their property, which tends to be exclusively older homeowners as a person has to be 62 to obtain a reverse mortgage, the default in the property taxes will be cured by the reverse mortgage servicer, and then they will file a foreclosure action against the homeowner. Even if the homeowner has a standard mortgage, the tax default, if the property goes into tax sale, will result in a higher escrow payment and may make their mortgage payment unaffordable. SB 812 would increase the amount of the tax credit, especially for low-income homeowners, lowering the number of low-income homeowners that would not have their entire property tax bill eliminated.

Unfortunately, MLA has seen the real consequences of the limits of the property tax credits for low-income homeowners. For years, MLA represented married homeowners, Mr. and Mrs. M., who had a reverse mortgage and would continuously go into default for small amounts of property taxes due to their limited income. These Marylanders were over 80 years old and had significant disabilities. MLA first filed a Chapter 13 bankruptcy to assist the homeowners in saving their home from a tax sale foreclosure from a predatory tax sale purchaser. Then, MLA represented the couple in several foreclosure actions and was able to keep them in the home using an exemption for reverse mortgage foreclosures for homeowners over 80 who had severe medical issues. However, as the homeowners declined in health, they became unable to provide the information necessary to get this exemption or qualify for the Maryland Homeowners Assistance Fund. Eventually, the home was sold at a foreclosure sale and the homeowners passed away. If the increase in

homeowners property tax credit proposed in SB 812 existed at the time, it is likely that this default and foreclosure could have been avoided completely and these Marylanders could have passed down the property to family members.

In addition, the Homeowners Property Tax Credit was not indexed to inflation, so while the average income in Maryland has increased in the last decade and the cost of living has subsequently increased, the Homeowners Tax Credit has not adjusted to this new reality. The median household income in Maryland in 2024 was \$109,700.00¹, but only homeowners making less than \$60,000.00 a year were eligible for the Homeowners Property Tax Credit. MLA has represented numerous homeowners, especially in Montgomery County², who are just over the tax credit limit, but still live below the median income for the county, and are unable to get the property tax assistance that they need. By increasing the eligibility for the Homeowners Property Tax Credit to \$100,000.00, SB 812 makes more homeowners eligible for the credit and adjusts to the financial reality of living in Maryland.

SB 812 increases the amount of the Homeowners Property Tax Credit and increases the amount of Maryland homeowners eligible for the credit. MLA strongly supports SB 812. If you need additional information about this bill, please contact William Steinwedel at wsteinwedel@mdlabor.org and (410) 951-7643.

¹ <https://fred.stlouisfed.org/series/MEHOINUSMDA646N>

² The average median income in Montgomery County, Maryland is \$138,870, even higher than the median income statewide. <https://fred.stlouisfed.org/series/MHIMD24031A052NCEN>

Written Testimony - increase HOTC income and asset

Uploaded by: Allison Harris

Position: FWA



**SB 812 - HOMEOWNERS' PROPERTY TAX CREDIT - ELIGIBILITY AND CALCULATION - ALTERATIONS
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE**

March 4, 2026

POSITION: FAVORABLE WITH AMENDMENTS

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics. **PBRC supports SB 812 because vulnerable homeowners would benefit from increased access to the Homeowners’ Tax Credit to help prevent the loss of their homes. We would like to see the bill amended to also increase the assets and assessed property value limitations.**

Over the past eleven years, PBRC has assisted nearly 1,000 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes, not an unwillingness. The clients served by our tax sale prevention clinics held in Baltimore represent some of our state’s most vulnerable citizens: nearly two-thirds are seniors, one third are disabled, nearly 90% identify as Black, and the majority report annual household incomes of less than \$30,000. On average, our clients have owned their homes for over 20 years, and over 85% of them own their homes free of a mortgage. As lower-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes.

Many low-income homeowners are only able to afford their property taxes with the assistance of the Homeowners’ Property Tax Credit, which currently has a low income eligibility threshold that has stagnated at \$60,000 per household for two decades. Further, the assessed value of the home to which the credit can apply has remained capped at \$300,000 for that time period, despite the tremendous jump in home values Maryland has seen in recent years. Increasing the income and assets thresholds, and increasing the maximum assessed value of the home on which the credit is based, would enable more homeowners to pay their taxes, avoid tax sale foreclosure, and keep their homes and the equity their families have worked to build.

PBRC supports SB 812, which could protect certain Marylanders from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth while stabilizing neighborhoods. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE WITH AMENDMENTS vote on SB 812.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.

aharris@probonomd.org • 443-703-3050

SB0812_Testimony_Dr_Cashenna_Cross.pdf

Uploaded by: Dr Cashenna A Cross

Position: FWA

Determination: FAVORABLE WITH AMENDMENTS

After reviewing Senate Bill 812, Homeowners Property Tax Credit Eligibility and Calculation Alterations, and weighing it against my record of municipal leadership, transparency advocacy, veteran service, and community engagement, the most responsible and defensible position is Favorable With Amendments.

Why

Throughout my service in municipal government, I have worked directly with residents who are aging in place, working families facing rising housing costs, and longtime homeowners at risk of displacement due to increasing property assessments. The intent of this legislation to expand eligibility and adjust income thresholds reflects a real and growing need across Maryland communities, particularly in municipalities where property values are rising faster than household income.

Increasing the combined gross income eligibility limit and adjusting the calculation structure acknowledges that many residents who were once stable homeowners are now cost burdened despite responsible financial behavior. This aligns with efforts to preserve community stability, prevent involuntary displacement, and support multigenerational homeownership.

However, several areas warrant careful refinement to ensure fairness, fiscal sustainability, and equitable application across municipalities.

Recommended Amendments

First, require periodic fiscal impact reporting to municipalities and counties to evaluate how expanded eligibility affects local tax bases and service delivery obligations.

Second, include a phased implementation or review trigger after three tax years to allow the General Assembly to assess participation rates, unintended impacts, and long term sustainability.

Third, provide clarification regarding interaction with other property tax credits to prevent administrative confusion and ensure uniform application among jurisdictions.

Testimony

Chair and Members of the Committee:

My name is The Honorable Dr Cashenna A Cross. I submit this testimony based on my experience in municipal leadership, public service, and direct engagement with residents navigating housing affordability challenges.

In local government, we see firsthand how property tax pressure affects seniors on fixed incomes, veterans transitioning to civilian life, and working families attempting to remain in the communities they helped build. Property ownership represents stability, generational investment, and community continuity. When tax burdens rise beyond income growth, families face difficult choices that can weaken neighborhoods over time.

Senate Bill 812 moves Maryland in a constructive direction by modernizing eligibility thresholds that no longer reflect present economic realities. Expanding access to the homeowners property tax credit provides relief to residents who are not wealthy but are increasingly vulnerable to rising assessments.

At the same time, municipalities must maintain the ability to plan responsibly for public safety, infrastructure, and essential services. Thoughtful amendments that include fiscal monitoring and program review will strengthen the bill while preserving its core purpose.

With these amendments, this legislation can both protect homeowners and maintain balanced local governance. For these reasons, I respectfully urge a favorable report with amendments.

Respectfully submitted,

The Honorable Dr Cashenna A Cross Councilwoman At Large City of Glenarden Maryland

SB0812-BT_MACo_SWA.pdf

Uploaded by: Kevin Kinnally

Position: FWA



Senate Bill 812

Homeowners' Property Tax Credit - Eligibility and Calculation - Alterations

MACo Position: **SUPPORT**
WITH AMENDMENTS

Date: March 4, 2026

To: Budget and Taxation Committee

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 812 WITH AMENDMENTS**. This bill increases eligibility thresholds and adjusts calculation brackets under the State Homeowners' Property Tax Credit.

While these changes expand eligibility and increase access to state-level property tax relief, MACo requests amendments to guard against unintended impacts on locally authorized supplemental credits and to ensure the bill does not automatically expand county fiscal obligations without local approval.

Counties recognize the importance of targeted property tax relief for homeowners facing rising housing costs. Several jurisdictions have adopted local supplemental homeowners' property tax credits, and some programs reference elements of the state credit when determining eligibility or calculating benefits.

Because the bill modifies combined gross income thresholds and calculation tiers within the Homeowners' Property Tax Credit, it may automatically broaden eligibility or increase benefits under locally authorized supplemental programs. That automatic linkage could increase county fiscal exposure without action by the local governing body.

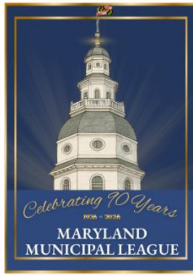
Accordingly, MACo requests amendments to ensure that changes to the State Homeowners' Property Tax Credit do not alter or expand locally authorized supplemental credits unless a county affirmatively adopts those changes by local law.

For these reasons, MACo respectfully requests a **FAVORABLE WITH AMENDMENTS** report on SB 812.

MML - SB812 - LOI.pdf

Uploaded by: Justin Fiore

Position: INFO



TESTIMONY

COMMITTEE: Senate Budget and Taxation

DATE: March 4, 2026

POSITION: Informational

BILL: SB 812

The Maryland Municipal League (MML) provides this Letter of Information to highlight the downstream fiscal impacts of SB 812 on municipal governments. While this legislation aims to expand the State Homeowners' Tax Credit, it simultaneously triggers automatic expansions of local supplemental credits in many of Maryland's 157 cities and towns. MML urges the Committee to consider the unintended "coupling" effect this bill has on local budgets.

Under Tax-Property § 9-215, many municipalities have exercised their local authority to provide "supplemental" credits to the state program. In many instances, the eligibility for these local credits is legally tied to the state's definitions of income and net worth. When the state raises the income threshold (as proposed from \$60,000 to \$88,000 by 2029) or alters the tax limit formula, it automatically expands the pool of eligible participants for the local credit as well.

This effectively forces a local revenue reduction without a corresponding local vote or budget adjustment. For municipalities that have already "opted-in" to support their residents, this bill moves the goalposts, turning a controlled local program into an open-ended fiscal commitment.

MML believes that if the state chooses to expand its own social safety net through the Homeowners' Tax Credit, that expansion should not mandate a concurrent loss in local municipal revenue. To protect local fiscal autonomy, the Committee might consider decoupling Local Eligibility via Amendments that clarify that any state-level expansion of eligibility for the § 9-104 credit does not automatically apply to local supplements authorized under § 9-215 unless the local governing body affirmatively votes to adopt the new standards.

We look forward to working with the sponsor and the Committee to ensure that state-level relief does not inadvertently destabilize municipal budgets.

For more information relating to this piece of testimony, please contact:

Justin Fiore: Director, Advocacy and Public Policy, justinf@mdmunicipal.org