



SENATE EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE
House Bill 1530
Higher Education – Undocumented Students – Out-of-State Tuition Exemption
Eligibility
April 1, 2026
Information

Chair Feldman, Vice Chair Kagan, and members of the committee, thank you for the opportunity to offer testimony on House Bill 1530. This bill proposes to alter the requirement that individuals present three years of Maryland income taxes to qualify for a non-resident out-of-state-tuition exemption and replaces that requirement with two year's taxes.

The University System of Maryland (USM) is composed of twelve distinguished institutions and three regional centers. We award eight out of every ten bachelor's degrees in the state. Each of USM's institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes three Historically Black Institutions, comprehensive institutions and research universities, and the country's largest public online institution.

USM supports accurate verification practices and appreciates the intent of House Bill 1530 to support student access. The current, amended version of the bill would support students who have a strong connection to Maryland (for example, they graduated from a Maryland high school and pay income taxes in the state). This version is also compliant with federal law and will assist more students in the state than the current statute does. The bill, as initially drafted, tied eligibility for in-state tuition (as an exemption from paying out-of-state tuition) to explicit proof of Maryland residency, including through a Maryland address appearing on income tax filings. A direct residency-based standard would have raised significant federal compliance concerns. Federal law prohibits states from granting benefits – such as in-state tuition – on the basis of state residency in situations where certain non-citizens could qualify based on residency, but U.S. citizens who cannot prove residency would be excluded. To avoid this prohibition, states have structured (non-resident) in-state tuition eligibility around criteria other than residency, such as high school attendance, high school graduation, or other neutral measures. Maryland's existing non-resident tuition exemption framework has followed this approach for precisely this reason.

Again, as introduced, House Bill 1530 would have eliminated the tax-filing condition altogether, significantly broadening eligibility for the in-state tuition benefit and raising a number of concerns about consistency, compliance, risk, and cost. Rather than repealing

the tax-filing requirement, the House adopted amendments to reduce the required tax-filing period from three years to two years preceding the academic year for which the exemption is sought. The amended bill thus reflects a more targeted policy approach, balancing expanded access with continued verification requirements.

The current statute has been helpful to many Maryland high school graduates who might otherwise not have been able to attend college. The USM looks forward to working collaboratively to ensure the policy framework remains both effective and fully compliant with state and federal requirements.

