

SENATE Written Testimony HB989 State Assistance fo

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Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 5, 2026

Testimony in SUPPORT of HB 989: State Assistance for the Elderly - Study on Calculation of Income

Summary: HB 989, as amended, focuses on ensuring that income received by an individual from renting a portion of their primary residence is excluded from the calculation of income for eligibility purposes in State housing assistance programs and medical assistance programs designed to assist elderly persons. The bill no longer applies to State tax credits, as that provision was removed after feedback from the Comptroller's Office and the House Ways and Means Committee, which noted that it would be overly complex to separately treat certain categories of income within existing tax processing systems.

Overview: House Bill 989 represents a proactive, common-sense, approach to compassionately aid Maryland's growing older adult population to remain in a familiar residence, maintain financial independence via social safety net eligibility protections, and thrive within their communities. This proposal also provides financial protections to homeowners who expand the supply of much-needed affordable housing options. By converting extra rooms within their existing homes into rental space, older age homeowners can ease the shortage of available low-cost options for those in need of housing.

Amendments to this bill were added to take into consideration the concerns voiced by affected Executive Branch agencies. The bill as amended now focuses on housing and medical assistance programs, preserving HB989's core goal of supporting aging in place, while improving administrative feasibility and implementation. This targeted approach avoids unnecessary complexity in tax administration while preserving the bill's intent to remove disincentives that discourage seniors from renting unused space in their homes. The amendments also strengthen the bill's rollout and accountability framework. The departments responsible for administering affected programs are now given until December 1, 2026, to review barriers to implementation, including any applicable federal law constraints, identify necessary State resources (including any required fiscal appropriations), determine which programs are impacted, and submit a comprehensive report to the General Assembly. In addition, the program's effective start date has been moved to June 30, 2027, providing agencies with sufficient time to prepare systems, align guidance, and ensure a smooth and effective implementation.



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Maryland's Older Population Is Growing Rapidly

As detailed in a [2025 study by The University of Maryland](#), Maryland's older adults currently represent a significant share of the state's residents, and their numbers are set to surge. In 2022, approximately 1.82 million people within Maryland are aged 55 or over, which accounts for 30% of the total population. It is noteworthy that more than half (nearly one million) of this age cohort were 65 or older, making up 16% of Maryland residents. [Projections from the Maryland Department of Planning indicate substantial growth](#). By 2040, the 55 or older population is expected to reach 2.19 million (33% of the state), while those 65 or older will climb to 1.44 million (21%). The fastest-growing subgroup is adults 80+, projected to more than double from 228,000 in 2020 to 492,000 in 2040, rising from 4% to 7% of the population. These trends in age demographics require forward-thinking action by this body.

Maryland Assistance Programs With Income Caps for Seniors

Many older Marylanders rely on state tax credits and assistance programs to remain financially stable in their homes. These programs commonly include [income eligibility thresholds](#) that determine qualification or benefit levels. Examples include:

- Energy assistance programs administered through the [Office of Home Energy Programs](#)
- [Medicaid](#)
- [Medical Assistance](#) through DHS
- [Community Options Waiver](#) (Home & Community-Based Services)
- [Increased Community Services](#) (ICS) Program
- [Community First Choice](#) (CFC) and CPAS ([Community Personal Assistance Services](#)) — Programs that provide home care services
- [Senior Assisted Living Subsidy Program](#)

For seniors living on fixed incomes, these programs are often essential to maintaining housing stability. This bill now applies specifically to State housing assistance programs and medical assistance programs, which remain essential supports for older Marylanders living on fixed incomes. These include Medicaid and other long-term care and home-based services programs administered through the Department of Health and related agencies, as well as State housing supports that help seniors remain stably housed.



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The Benefits Cliff and the Disincentive to Rent

Current policy unintentionally creates a “benefits cliff.” When modest additional income pushes an individual just above eligibility thresholds, they can lose critical assistance that far exceeds the value of the additional income. According to [recent data from the National Council on Aging](#), this sudden loss of benefits can increase out-of-pocket healthcare spending by 25% and significantly reduce financial stability. Moreover, Medicare may not cover the same long-term services or, if it does, with higher costs. Modest increases in income (e.g., from Social Security cost-of-living adjustments) can push seniors just over the threshold, causing a total loss of benefits that outweighs the gain. Other benefits like Supplemental Nutrition Assistance Program and assistance with Medicare premiums like the Medicare Savings Programs can also be abruptly reduced.

The current calculation formula, which HB 989 partially addresses, creates a "poverty trap." When a senior earns rental income to afford their basic necessities, they may be penalized by losing access to the very programs that prevent them from becoming homeless, unable to afford medicine or in-home care, and may result in their need to go to a much costlier residential care home.

House Bill 989 adjusts the taxable income calculation by mandating that income derived from renting a portion of an individual’s primary residence shall not be included in the calculation of income for state tax credits, housing assistance, or medical assistance programs designed to assist older age individuals. This removes the disincentive that currently prevents many seniors from renting unused space.

Supporting Aging in Place is A Health and Fiscal Imperative

Most older adults prefer to remain in their homes as they age. [Research from AARP](#) shows that approximately 77% of adults age 50 and older want to age in place. Aging in place is not only a personal preference, it is also significantly more cost-effective than institutional care. The Centers for Medicare & Medicaid Services has [consistently found](#) that home-and-community-based services are generally less costly than nursing home care and often produce better outcomes.



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[Private sector cost data](#) shows the same pattern. Nursing home care can exceed \$100,000 annually in many regions and home based care services typically cost substantially less. When seniors remain safely in their homes Medicaid long-term care expenditures decrease, hospitalizations and institutional placements decline, and state resources are preserved.

Rather than moving into assisted living or nursing homes prematurely, older adults who age in place reduce the long-term burden on state-funded care programs limited by available beds. HB 989 strengthens the financial feasibility of aging in place by allowing seniors to offset housing costs without losing essential support.

Expanding Housing Supply Through Existing Homes

Maryland faces a persistent shortage of affordable housing, particularly smaller and lower-cost units. According to the National Low Income Housing Coalition, there is a [severe shortage](#) of affordable and available homes for extremely low-income renters nationwide, and Maryland is among the states where demand significantly exceeds supply.

At the same time, many older homeowners occupy homes with unused bedrooms after children move out. HB 989 unlocks this underutilized housing resource by allowing seniors to rent space without risking loss of eligibility for assistance programs.

This approach expands affordable housing supply rapidly by making use of existing homes rather than relying on new construction, which can take years to plan, approve, and build. By allowing unused space in owner-occupied homes to become available to renters, it naturally creates lower-cost housing options that are often more attainable than newly developed units. It also introduces housing opportunities in neighborhoods where smaller or more affordable units are otherwise scarce, opening doors in communities that might not see new multifamily development. At the same time, it makes efficient use of infrastructure that is already in place, utilities, transportation access, and established residential spaces, maximizing existing resources while minimizing additional public cost.

Policymakers and housing researchers increasingly recognize that expanding affordable housing supply does not always require new construction, and that relying solely on building more units can be slow, costly, and limited by land and regulatory constraints. [Shared housing arrangements](#) and reforms to use existing housing stock can help fill gaps in supply promptly and



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cost-effectively. For example, a recent report on emerging shared housing strategies explains that shared housing can boost affordable rental options without the lengthy timelines and high per-unit costs associated with traditional development, helping residents lower their housing costs while making more efficient use of the homes already in communities. By enabling alternatives such as shared rooms or “co-living” arrangements, states that have explored this model aim to create lower-cost options that expand rental supply without requiring new construction.

Housing policy analyses also emphasize [conserving and improving the existing housing stock](#) as a key strategy in affordable housing planning, underscoring that maximizing the productive use of current homes is an essential complement to building new units. Policies that support adaptive use of existing space, including allowing homeowners to rent out spare rooms, align with these broader efforts to increase housing opportunities while minimizing costs and preserving neighborhood fabric. In many cases, renting a room in an owner-occupied home is substantially more affordable than independent housing options. Today, many older Marylanders find themselves unable to take advantage of rental opportunities in their own homes because doing so jeopardizes eligibility for critical benefits. HB 989 removes that disincentive, promoting financial stability, expanded housing access, and overall well-being.

Community, Safety, and Well-Being

The benefits of shared housing for older adults extend well beyond financial stability. When a senior welcomes a tenant into the home, the daily presence of another person can meaningfully reduce social isolation, increase personal safety, and foster consistent human interaction. For many older adults, particularly those who live alone after the loss of a spouse or after children have moved away, regular conversation and shared routines provide structure, engagement, and a renewed sense of purpose within the home environment.

Public health research underscores the significance of these effects. [The Centers for Disease Control and Prevention identifies social isolation](#) among older adults as a serious and widespread health risk associated with increased rates of depression, anxiety, cognitive decline, heart disease, and premature mortality. Social isolation is also linked to higher rates of emergency room visits and hospital readmissions, reflecting the broader health implications of limited social contact.



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The presence of another person in the home can also enhance safety in practical ways. A tenant may notice changes in behavior, mobility, or health that might otherwise go unobserved, and simply having another person nearby can reduce risks associated with falls, medical emergencies, or delayed assistance. Even when the tenant provides no caregiving services, informal monitoring and companionship can support earlier intervention and greater peace of mind.

Equally important are the emotional and cognitive benefits of routine social interaction. Studies consistently show that sustained interpersonal engagement supports cognitive functioning, emotional resilience, and overall life satisfaction among older adults. Conversation, shared meals, and everyday social contact provide mental stimulation that contributes to healthier aging outcomes.

In this way, shared housing can strengthen independence while also fostering connection, security, and dignity. By enabling older adults to remain socially engaged within their own homes, policies that support shared living arrangements promote not only housing stability but also measurable improvements in health and quality of life.

One Policy, Two Solutions

HB 989 efficiently addresses two pressing challenges:

- 1) Aging in Place – It helps older adults afford staying in their homes while maintaining access to critical medical and housing assistance programs.
- 2) Housing Supply – It opens up new, lower-cost housing options by making underutilized space available across the state.

Conclusion: HB 989, as amended, remains a thoughtful and effective response to Maryland’s dual challenges of an aging population and a housing affordability crisis. By refining the bill to focus on medical and housing assistance programs, removing administratively complex tax provisions, and establishing a clear implementation timeline, the legislation strengthens both its practicality and its impact. It empowers older Marylanders to remain in their homes, maintain stability, and continue contributing to their communities with dignity and independence.

Testimony to Senate Finance on HB989 EconAction F

Uploaded by: Marceline White

Position: FAV



Testimony to Senate Finance

HB989 State Assistance for the Elderly - Calculation of Income

Position: Favorable

April 1, 2026

The Honorable Pam Beidle, Chair
Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Beidle and members of the Committee,

Economic Action urges a favorable report on HB989 which as amended creates a study to consider a prohibition on inclusion of income derived from renting space in one's home from income calculations that provide tax credits, medical assistance, and other supports to older adults, adults with disabilities, and others.

As Maryland's population ages, 70% of older adults want to age in place. However, as the cost-of-living has increased, with prices skyrocketing 25% since 2020, people are seeking a number of ways to reduce costs or increase income. Shared housing is one of the many flexible solutions that older adults are considering to increase their economic security and expand their support network. In fact, Longevity Maryland discusses [homesharing](#) as one option for older adults.

From our work with our Securing Older Adult Resources (SOAR) clients, we know that the homeowners and renters tax credits provide a critical boost to many older adults economic security. HB989 will review the implications in expanding support for older adults' economic security by ensuring that homesharing benefits elders rather than causes them to lose important benefits.

For all these reasons, we support HB989 and urge a favorable report.

Best,

Marceline White
Executive Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

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HB 989 - X - FAV.pdf

Uploaded by: Megan Peters

Position: FAV



Maryland Senior Citizens Action Network

MSCAN

AARP Maryland

*Baltimore Jewish
Council*

*Catholic Charities of
Baltimore*

*Central Maryland
Ecumenical Council*

Church of the Brethren

*Episcopal Diocese of
Maryland*

*Housing Opportunities
Commission of
Montgomery County*

*Lutheran Office on
Public Policy in
Maryland*

*Maryland Association of
Area Agencies on Aging*

*Maryland Catholic
Conference*

*Mental Health
Association of Maryland*

Mid-Atlantic LifeSpan

*National Association of
Social Workers,
Maryland Chapter*

Presbytery of Baltimore

*The Coordinating
Center*

*MSCAN Co-Chairs:
Carol Lienhard
Megan Peters
410-921-9005*

The Maryland Senior Citizens Action Network (MSCAN) is a statewide coalition of advocacy groups, service providers, faith-based and mission-driven organizations that support policies that meet the housing, health, and quality of care needs of Maryland's low and moderate-income seniors.

MSCAN supports HB 989. As amended, this bill requires the Maryland Department of Aging, in consultation with other relevant state agencies, to conduct a study on whether and how income from renting part of a primary residence could be excluded when determining eligibility for certain State assistance programs. While MSCAN supported the bill as introduced, we recognize that the amended version maintains focus on an issue of growing importance to older Marylanders and provides an opportunity for further examination and policy development.

For some older Marylanders, house-sharing arrangements such as renting a spare bedroom can provide supplemental income to help meet rising housing costs, including maintenance, repairs, and property taxes. However, the modest income earned could unintentionally disqualify an older adult homeowner from programs that were created to help them remain safely housed and financially stable.

As amended, HB 989 will have the state study whether and how income from renting part of a primary residence could be excluded when determining eligibility for certain State assistance. This interagency approach will help clarify where policy change may be possible, where barriers remain, and how future action could be structured to avoid unintended consequences.

A one-time study with a required report to the General Assembly can provide valuable information to guide future legislative action. For these reasons, MSCAN urges a favorable report for HB 989.

HB 989 - State Assistance for the Elderly - Calcul

Uploaded by: Sara Westrick

Position: FAV



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HB 989 - State Assistance for the Elderly - Study on Calculation of Income
Senate Finance Committee
April 1, 2026
FAVORABLE

Good afternoon, Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee. Thank you for the opportunity to testify in support of House Bill 989. My name is Sara Westrick, Advocacy Director for AARP Maryland.

AARP Maryland is one of the largest membership-based organizations in the state, with approximately 850,000 members. We represent the interests of Maryland's over 50 population. Key priorities of our organization include helping all Marylanders achieve financial and health security and supporting livable communities. We thank Delegate Lopez and the many co-sponsors of this important legislation.

AARP Maryland supported the original bill and continues to support it as amended. Eligibility for state programs, tax credits, housing assistance, or medical assistance should not be a barrier to house-sharing. The extra income from house-sharing allows older homeowners to age in place and pay for needed home repairs and maintenance that they may no longer be able to perform themselves. Housing costs are the largest expense for Maryland retirees. In addition to the financial benefits of house-sharing, it can also alleviate social isolation and loneliness among older adults living alone, which greatly impacts health and longevity.

HB 989 thoughtfully includes a one-year study, conducted in consultation with multiple State agencies, to examine the broader implications of this income exclusion for housing and medical assistance programs serving aged, blind, and disabled individuals. The report to the General Assembly will help identify federal constraints, necessary State resources, and programs where this policy could reasonably apply, ensuring that any future action is informed and responsible.

AARP believes that house-sharing can greatly benefit many older Marylanders, and this bill allows important groundwork to understand the implications for assistance eligibility. For these reasons, we urge the Committee to issue a favorable report on HB 989.

If you have any questions, please contact Sara Westrick at swestrick@aarp.org or by calling 410-310-0374.



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Uploaded by: Andrea Nunez

Position: UNF



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

Date: March 30, 2026

Bill Number: HB 989

Bill Title: State Assistance for the Elderly - Study on Calculation of Income

Committee: Senate Finance Committee

Position: Letter of Concern

The Maryland Department of Aging thanks the committee for the opportunity to provide this letter of concern for House Bill (HB) 989 - State Assistance for the Elderly - Study on Calculation of Income.

The Maryland Department of Aging (MDOA) serves as Maryland's State Unit of Aging, administering federal funding for core programs, overseeing the Area Agency on Aging (AAA) network at the local level that provides services, and planning for Maryland's older adult population. MDOA recently published the Longevity-Ready Maryland Plan, a 10-year roadmap for preparing Maryland for increasingly longer lives and its rapidly growing older adult population.

As originally drafted, this legislation would have tasked the Maryland Department of Aging with reviewing all state tax credits, housing assistance programs and medical assistance programs for any requirements that are based on income. MDOA would then have been responsible for notifying the state agencies that administer them that those income calculations must exempt an older adult's income that is generated by renting out a portion of their primary residence to another person. MDOA appreciates the sponsor's interest in state incentives for home-sharing for older people but there were considerable operational and budget challenges presented by the original language.

In response, this bill was amended to a one-time study. As amended, it would instead require MDOA, in consultation with the Department of Disabilities, the Department of Health, the Department of Housing and Community Development, and the Department of Human Services



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

to complete a study by December 1, 2026 on this topic. Specifically, MDOA and the collaborating agencies would review state housing assistance and medical assistance programs designed to assist aged, blind and disabled individuals and identify any barriers, including federal laws to limiting state housing assistance and medical assistance program eligibility based on rental income from renting out a portion of the individual's primary residence. The study should determine which state housing and medical assistance programs such a change to income eligibility could reasonably apply to and identify necessary state resources.

In light of current projected general fund deficits in fiscal 2027 and beyond, MDOA urges continued caution in passing legislation that may significantly impact the state's budget in future years. MDOA foresees continued challenges around this concept, particularly around federal income eligibility requirements for Medicaid and SNAP. MDOA also predicts that there may be potentially significant technology and process change costs to various state agencies to implement income requirement changes in the future - whether the state program has federal ties or not. In future years, if state housing assistance and medical assistance program income eligibility is altered in this way, these programs could see additional enrollment over time. Such enrollment increases would likely exceed available funds, creating pressure for increased funding. This could also create longer waitlists, other staffing and operational challenges, including challenges for residents seeking to access these programs.

If you have any questions, please contact Andrea Nunez, Legislative Director, at andrea.nunez@maryland.gov or (443) 414-8183. Thank you for your consideration.

HB0989_DHS_INFO (FIN).pdf

Uploaded by: Gloria Brown-Burnett

Position: INFO



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Stacy L. Rodgers, Acting Secretary

April 1, 2026

The Honorable Pamela Beidle, Chair
Senate Finance Committee
Miller Senate Office Building, 3 East
11 Bladen Street
Annapolis, Maryland 21401

**RE: TESTIMONY ON HB 989 - STATE ASSISTANCE FOR THE ELDERLY -
CALCULATION OF INCOME - POSITION: INFORMATION**

Dear Chair Beidle and Members of the Finance Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for its consideration and the opportunity to provide information on House Bill 989 (HB 989), which passed out of the House.

With offices in every one of Maryland's jurisdictions, DHS provides preventative and supportive services, economic assistance, and meaningful connections to employment development and career opportunities to assist Marylanders in reaching their full potential. Our Family Investment Administration (FIA) is involved in the administration of and eligibility calculations for certain housing and medical assistance programs affected by HB 989.

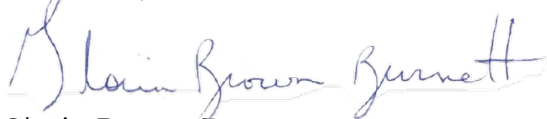
HB 989 would require the Department of Aging (DOA) to consult with DHS and the Department of Disabilities (DOD), the Department of Health (MDH), and the Department of Housing and Community Development (DHCD) on a study. The focus of the study would be the implications of prohibiting certain state housing assistance programs and state medical assistance programs from including income that an aged, blind, or disabled individual receives from renting a portion of their residence in the calculation of income required for each program. HB 989 specifies that the study would include: identifying any barriers, including federal laws; identifying necessary state resources; and determining which state housing assistance and state medical assistance programs would be applicable under a potential prohibition on including certain rental income in the calculation of an individual's income. The report on findings and recommendations would be due to the Senate Finance and House

Health Committees by December 1, 2026. DHS can participate in the bill's proposed study using existing resources.

FIA administers the Emergency Assistance to Families with Children (EAFIC) Program, which provides emergency cash assistance to families who need help paying rent or utilities or for other emergencies, and the Eviction Assistance Program (EAP), which is designed specifically to mitigate imminent loss of shelter. These assistance programs are available to eligible families when funds are available. For instance, EAFIC may only be accessed by a household once every two years. FIA also determines eligibility for individuals applying for benefits under the Maryland Medical Assistance (MA) Program, which includes individuals who are aged (i.e., 65 years of age or older), blind, or disabled. While DHS has authority to set eligibility rules for EAFIC and EAP, the MA Program is Maryland's version of the federal Medicaid program. Under current law, individuals applying for MA are subject to federal eligibility requirements, including asset and income limits. These federal eligibility requirements and the viability of excluding certain rental income from eligibility calculations are what DHS would explore under the study envisioned by HB 989.

We appreciate the opportunity to provide information to the Committee for consideration during your deliberations. If you require additional information, please contact Justin Hayes, Acting Director of Government Affairs, at justin.hayes1@maryland.gov.

In service,

A handwritten signature in blue ink that reads "Gloria Brown Burnett". The signature is written in a cursive style with a large initial "G".

Gloria Brown Burnett
Interim Secretary