



House Bill 556 – Property Tax Credit – Utility Service Expenses for Dwellings
Hearing on February 10, 2026 – Ways and Means Committee
Position: FAVORABLE

Maryland Legal Aid (MLA) submits its written and oral testimony on HB 556 in response to a request from Delegate Jeffrie E. Long, Jr.

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 and for the state utility assistance programs. Because HB 556 would allow local jurisdictions to create an additional property tax credit to assist homeowners with utility bills that are a large portion of their household expenses, MLA testifies in strong support of this bill.

While the state Homeowners Property Tax Credit results in a reduction of a significant portion or a 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 in addition to their regular monthly utility bills. If they fail to pay their taxes, the homeowner may face tax sale, and they have the potential of losing ownership of their homes. Our office often meets with elderly clients who have a reverse mortgage on their property. Failure to pay their taxes results in a default under the mortgage with a resulting 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.

Maryland citizens also face some of the largest utility increases in the country and the severe cold weather in recent weeks has resulted in high bills for all Marylanders, including the households seen by Maryland Legal Aid. The National Consumer Law Center reported that nearly 30% of the population of the United States had trouble affording utility service. This percentage was higher in families that identified themselves as Black or African American, Hispanic or Latino¹. In September of 2025, the Maryland Office of the People’s Counsel broadcast higher electric bills due to an increase of 800% from the “capacity market” auction². Also, in June 2024, the OPC issued a report showing the change in utility rates over time for both gas and electric rates. The report showed that in the last 10 to 15 years, rates increased “by multiples of two or

¹ Lusson, Karen. “Protecting Access to Essential Utility Service.” *National Consumer Law Center*.
<https://www.nclc.org/wp-content/uploads/2024/07/202407_Report_Protecting-Access-to-Essential-Utility-Service-in-the-Time-of-Extreme-Heat-and-Climate-Change.pdf> July 2024.

² The Office of People’s Counsel. “Maryland Electricity Bills are Going Up This Fall.”
<<https://opc.maryland.gov/Rising-Fall-Electricity-Rates.>>

three³”. Rising energy bills are causing homeowners to have to choose between paying housing costs, including rent, mortgage or property taxes and paying their utility bills. HB 556 would help prevent low-income homeowners from having to make that choice.

MLA has seen clients facing this choice on many occasions. In at least one instance, MLA represented a client who used her entire social security income to pay her property taxes and did not have enough funds left to pay her utility bills, despite receiving utility assistance. This led to this client constantly having to deal with utility shutoffs and having to choose between paying her utilities and her property taxes. HB 556 would assist homeowners in not facing this situation in the future.

This bill provides jurisdictions with the ability to create an additional property tax credit to offset the cost of increases in utility bills. MLA strongly supports HB 556. If you need additional information regarding MLA’s position on this bill, please contact William Steinwedel at wsteinwedel@mdl.org and (410) 951-7643.

³ Office of People’s Counsel. “Maryland’s Utility Rates and Charges.”
<https://opc.maryland.gov/Portals/0/Files/Publications/Reports/Utility%20Rates%20PowerPoint%202025%20updated%203-11-25.pdf?ver=WE3Jb5IAWghiYWH_u9RLrA%3d%3d.> June 2024.