

HB 449_crossover_Consumer Protection Divsion_fav_2

Uploaded by: Kira Wilpone-Welborn

Position: FAV

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March 30, 2022

To: The Honorable Guy Guzzone
Chair, Budget and Taxation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 449 – Property Tax - Renters' Property Tax Relief Program - Application
Period (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 449 sponsored by Delegate Stephanie Smith as it equalizes the property tax relief program application period for renters 70 years and older.

The Department of Assessment and Taxation describes the Renters’ Property Tax Program as “rest[ing] on the reasoning that renters indirectly pay property taxes as part of their rent and thus should have some protection, as do homeowners.”¹ Currently, homeowners are provided three (3) years to apply for property tax relief whereas renters are provided only one (1) year to apply for property tax relief. Allowing renters the same three year time period in which to apply for property tax relief is a commonsense alteration that fulfills the purpose of each program and provides valuable financial resources to financially vulnerable Maryland renters.

The Division requests that the Budget and Taxation Committee give House Bill 449 a favorable report.

cc: The Honorable Stephanie Smith
Members, Budget and Taxation Committee

¹ See <https://dat.maryland.gov/realproperty/Pages/Renters'-Tax-Credits.aspx>

HB0449 Del. Stephanie Smith's Testimony.pdf

Uploaded by: Lamar Robinson

Position: FAV

STEPHANIE SMITH
Legislative District 45
Baltimore City

Appropriations Committee

House Chair
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THE MARYLAND HOUSE OF DELEGATES
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HB0449 - Property Tax - Renters' Property Tax Relief Program - Application Period

Hearing: March 30th, 2022, 1:00pm, Budget and Taxation Committee

Chairman Guy Guzzone, Vice Chair Jim Rosapepe, and members of the committee,

HB0449 would allow Maryland renters who were at least 70 years old and previously eligible for tax credits to claim those credits retroactively for up to three (3) years, this would in effect reduce their financial burden. This bill will protect older adult, low-income renters from housing displacement, provide Maryland residents with the opportunity to protect their housing situation, and allow vulnerable older adults the means to age in place - maintaining their intergenerational investment and strengthening the communities they live in.

This bill seeks to address several issue areas:

First, aging in place is an important issue for the growing senior population. According to the AARP, most adults over 65 want to remain in their homes for as long as possible. Relocating for seniors can be detrimental to their overall wellbeing and financial health. Older adults typically have spent many years establishing and nurturing relationships with their neighbors and communities, which could be lost if they were forced to relocate.

Second, older adults are more vulnerable to housing displacement. They may not have secure incomes in retirement, or may be on fixed incomes that do not adjust well enough for soaring housing prices. Even for those who are employed, they may be living paycheck to paycheck and even one unexpected bill or illness could create an unstable housing situation. In 2018, 280,000 senior households in Maryland were below the ALICE (Asset-Limited, Income-Restrained, Employed) threshold and their housing costs alone were on average \$1,129 per month. HB 449 will benefit these elders.

Third, the ongoing COVID-19 pandemic has contributed to major financial burdens, especially in our most vulnerable communities. History shows us that adults 60 and older experience a large decrease in total net wealth and an increase in debts, particularly property related debt, and experience significant increases in poverty status post-recession. According to the United Way's 2021 COVID-19 impact survey, respondents below the ALICE Threshold were significantly more likely than respondents above the ALICE Threshold to say that they were concerned about paying housing expenses (47% vs. 13%). HB449 will give much needed financial support to Maryland renters during this difficult time and will continue to help vulnerable seniors through future economic downturns.

For these reasons, we urge the committee to vote favorably on HB 0449.

Sincerely,

STEPHANIE SMITH
Legislative District 45
Baltimore City

Appropriations Committee

House Chair
Baltimore City Delegation



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Delegate Stephanie M. Smith

_HB449 Factsheet 2022 final (2).pdf

Uploaded by: Marceline White

Position: FAV



Maryland Consumer Rights Coalition

Protect Senior Renters

HB449: Renter's Tax Credit Program Deadline Extension and Retroactive Credits

The Issue

Right now older, low-income renters in Maryland are facing rising housing prices. Older adults are often on fixed incomes and regularly face issues regarding reliable transportation, disability, and health. According to the National Council on Aging, over 15 million older adults aged 65+ are economically insecure, with incomes below 200% of the federal poverty level.¹

In 2017, 34.95% of the State's 60+ low-income minority individuals lived in Baltimore City, followed by Prince George's (19.36%) and Montgomery (16.3%) counties. In 2017, 91,630 older Marylanders (7.56% of the total state 60+ population) lived in poverty as defined by the federal poverty guidelines. Minorities composed nearly half (49%) of the State's low income older adult population. HB 449 will benefit these elders².

Enabling older adults to age in place benefits these elders as well as their communities where many play a critical role in neighborhood stabilization. The Maryland Renters' Tax Credit Program addresses many of the financial security issues that older Maryland renters face. HB449 will expand on this successful program by making the tax credit retroactive..

The Solution

HB 449 allows Maryland renters who are at least 70 years old and eligible for the Renters Tax credits to claim those credits retroactively for up to three (3) years, which provides direct financial support for indigent older adults.

Since 2018, MCRC's SOAR (Securing Older Adult Resources) Program has screened hundreds of older adults for these tax credits. Our SOAR program has saved seniors an average of \$309 a year. The majority of clients who receive our support for the Renters Tax Credits are African-American women and

¹ <https://www.ncoa.org/article/get-the-facts-on-economic-security-for-seniors>

² <https://aging.maryland.gov/SiteAssets/Pages/StatePlanonAging/MD%20State%20Plan%202022-2025.pdf>



approximately 40% of the clients we help with this credit are disabled. Expanding the program to be retroactive can help save seniors even more.

In 2019, Maryland issued a little more than 8,200 credits and in 2020, a little more than 7,500 credits across the state³. While applying these credits retroactively will increase the cost to the state, this expansion is far less costly than providing food, shelter, and emergency assistance to displaced older adults.

Why HB 449 is important now

- In 2019, Maryland had the 8th highest number of renters who were cost-burdened, with 48.1 % paying more than 30% of their income for housing, while many are severely cost-burdened paying more than 50% for a rental.
- The COVID-19 pandemic has only exacerbated the financial precarity of renters, particularly older adults. According to the United Way's 2021 COVID-19 impact survey, respondents below the ALICE Threshold were significantly more likely than respondents above the ALICE Threshold to say that they were concerned about paying housing expenses (47% vs. 13%).
- While eviction moratoriums were implemented at the beginning of the pandemic, many renters still face displacement as housing costs rise and their incomes remain the same. In 2021, 45% of our clients who are 60+ and seeking assistance through our tenants' rights program came to us with issues relating to eviction.
- Adults over the age of 70 years old should be protected from housing displacement and be allowed to remain in their homes in dignity - maintaining their intergenerational investment and strengthening the communities they live in.

What this HB 449 will do

- Protect older adult, low-income renters from housing displacement.
- Increase financial security for low-income older adults.
- Save taxpayers money by ensuring older adults remain housed and can age in place.

Vote YES on HB0449

³ https://dat.maryland.gov/Documents/statistics/AnnualRpt_FY2020.pdf



Maryland Consumer Rights Coalition

HB0449 - in Senate - FAV - Public Justice Center.p

Uploaded by: Zafar Shah

Position: FAV



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HB0449 – Property Tax - Renters' Property Tax Relief Program – Application Period

**Hearing before the Senate Budget and Taxation Committee,
March 30, 2022**

Position: SUPPORT (FAV)

Public Justice Center (PJC) is a nonprofit public interest law firm that serves over 600 renters each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. PJC seeks the Committee's Favorable report on HB0449.

Older renters live under the constant pressure of limited incomes and rising housing costs. Still, many of PJC's clients are unaware that they can financially benefit from the Maryland Renters' Tax Credit.

HB0449 would allow Maryland renters who were at least 70 years old and previously eligible for tax credits to **claim those credits retroactively for up to three (3) years**. Thus, when seniors learn about the Renters' Tax Credit, they will have a retroactive window of opportunity to reduce financial burdens – instead of an opportunity lost.

HB0449 is important to older adults facing housing insecurity

In 2020, Maryland had the 8th highest number of renters who were cost-burdened, with 49% paying more than 30% of their income for housing, while many are severely cost-burdened paying more than 50% for a rental.¹

Older adults are more vulnerable to housing displacement. They may not have secure incomes in retirement or may be on fixed incomes that do not adjust well enough for soaring housing

¹ <https://conduittstreet.mdcounties.org/2020/08/11/study-roughly-half-of-tenants-in-maryland-rent-burdened/>

prices.² Even for those who are employed, they may be living paycheck to paycheck and even one unexpected bill or illness could create an unstable housing situation. In Maryland in 2018, 280,000 senior households were below the ALICE (Asset-Limited, Income-Restrained, Employed) threshold, and their housing costs alone were on average \$1,129 per month.³ HB0449 will benefit these elders.

HB0449 will give much needed financial support to Maryland renters during a difficult time of economic recovery. It will continue to help vulnerable seniors through future economic downturns. **Public Justice Center** supports programs that provide senior renters with the means to remain in their homes. We ask that the Committee issue a favorable report on HB0449.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Senate Budget and Taxation Committee **issue a report of FAVORABLE on HB0449**. If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.

² <https://justiceinaging.org/why-eviction-hits-older-adults-harder-making-them-vulnerable-to-homelessness/>

³ https://www.uwcm.org/files/2020ALICEReport_MD_FINAL-7-9-20.pdf