



**MARYLAND  
LEGAL AID**

*Advancing*  
**Human Rights and  
Justice for All**

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January 14, 2022

The Honorable Guy Guzzone  
Chair, Budget and Taxation Committee  
3 West  
Miller Senate Office Building  
Annapolis, Maryland 21401

Re: In Support of Senate Bill 153 – Property Tax - Homeowners' Property Tax Credit -  
Definition of Gross Income

Dear Senator Guy Guzzone and Members of the Committee:

Thank you for the opportunity to testify in support of this important bill. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove child custody barriers, housing, a driver's license, and employment. Maryland Legal Aid supports SB153 and asks that this committee give it a favorable report.

This letter serves as notice that Anthony Hayes Davis II, Esq. will testify in support of SB153 on behalf of Maryland Legal Aid at Senator Pam Beidle's request. SB153 will provide an immediate socio-economic benefit to homeowners, individuals, and families living at or near the cusp of poverty.

Passage of SB153 would effectively increase the pool of potential Maryland residents eligible to receive the Maryland Homeowners Property Tax Credit, which is currently unavailable to households with a combined gross income that exceeds \$60,000 per year. Currently, the gross income restrictions do not allow a property tax credit for one of the largest population demographics of low-income clients: a family of four earning 50% of the Maryland median family income, which is \$62,404.

Many affected homeowners are older adults living on fixed incomes and the working poor – families at their maximum earning potential, but whose incomes still fall below poverty levels. This demographic includes legacy homeowners, disabled veterans, older adults "aging in place," and those at risk of tax sale or mortgage default. These are the individuals who stand to benefit the most by expanding the property tax credit eligibility.

SB153's exclusion of certain expenses incurred by a homeowner for medical care, continuing care, and care provided by an assisted living program or nursing home from the definition of "gross income" will allow many newly eligible vulnerable homeowners to maintain and continue living in their homes, add stability to their

communities, and not have to choose between paying property taxes or paying for medical care.

MLA advocates helping homeowners defend against tax sales, serious mortgage delinquencies, and other threats to homeowner preservation report that the ability to receive property tax credits can be the difference between the client keeping their home or losing it to foreclosure.

A recent MLA client, Mr. A, a 48-year-old delivery driver, lives in Harford County with his two children, in the home of his 68-year-old mother- who inherited the home from her mother. Together, Mr. A and his mother earn just over \$60,000. Mr. A has health issues that sometimes keep him hospitalized or confined to his bed for weeks at a time. The family is current on the mortgage, but behind on their property taxes. Even though they qualify for MLA's services, they do not qualify for the property tax credit, which would be the easiest way to resolve their issue. SB153 will help resolve this discrepancy.

Likewise excluded by the gross income restriction of the property tax credit are many older adult clients and seniors living on fixed incomes who are "aging in place." Even though these individuals are taking advantage of home and community-based care programs to assist them in living independently and safely in their homes, they still incur expenses for medical equipment and even home modifications. These clients are an aging population, often dealing with chronic and new health challenges and would greatly benefit from inclusion in the homeowners' property tax credit.

SB153 provides a wealth of benefits to homeowners that would enable many to maintain their homes, health, and well-being, which is in the continued best interest of all Marylanders. Thank you for considering this written testimony. For the reasons stated above, MLA urges a favorable report on SB153.

/S/ \_\_\_\_\_

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