



Maryland Consumer Rights Coalition

Testimony to the House Ways and Means Committee
HB449: Property Tax-Renters' Property Tax Relief Program-Application Period
Position: Favorable

February 8, 2022

The Honorable Vanessa E. Atterbeary, Chair
House Ways & Means Committee
Room 131, HOB
Annapolis, MD 21401
cc: Members, Ways & Means Committee

Chair Atterbeary and Members of the Committee:

MCRC is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, organizing, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here in strong support of HB 449.

For the past five years, MCRC's SOAR (Securing Older Adult Resources) program has led efforts to promote the Homeowners' Tax Credit as well as the Renters' Tax Credit. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2021, MCRC returned \$86,745.07 in tax credits to financially fragile older adults. For renters who received tax credits, the average return was between \$300-\$500 annually. The Renters Tax Credit is available to renters who are low-income or permanently disabled, as well as to some households who meet other criteria.

The Renters Tax Credit helps financially and housing insecure older adults remain housed and age in place. HB 449 expands assistance to low-income renters by enabling renters 70 years or older who receive this credit to receive up to three years of credits retroactively. This will increase older renters' economic security at this critical juncture.

In 2019, Maryland had the 8th highest number of renters who were cost-burdened in the country, 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. Since 2019, The COVID-19 pandemic has only exacerbated the financial precarity of renters, particularly older adults. Many of our low-income renters are older adults. In 2017, 91,630 older Marylanders (7.56% of the total state 60+ population) lived in poverty as defined by the



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federal poverty guidelines. Minorities composed nearly half (49%) of the State's low income older adult population. HB 449 will benefit these elders². While eviction moratoriums were implemented at the beginning of the pandemic, as these protections wane, many renters face housing insecurity. 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.

HB 449 will bring the protections in place for older homeowners to our older adult renters. The Homeowners Tax Credit has had this same retroactive provision in place for years. Through our SOAR program, we have worked with older adults who have saved their homes from tax sale, been able to pay off debts, and increase their security because they received three years of retroactive tax credits. Our older adult tenants deserve access to similar financial assistance.

While opponents may suggest that it is too difficult to verify income or assets of renters, in our SOAR program, none of the hundreds of tenants we see each year move frequently nor have their incomes fluctuate-most depend on social security or disability benefits and live with few means which is why they are eligible for and need the tax credits. Others may suggest that the program may lead to state revenues declining as seniors receive these retroactive benefits. On the contrary, the General Assembly made the decision decades ago to provide these credits but despite a number of outreach efforts (including ours) approximately 80% of those eligible for tax credits do not apply-so there are funds available to support those who do complete applications. In addition, as rental prices continue to rise, it would be more expensive for the state to support housing, food, medical, and emergency assistance to elders who lose their homes than it is to extend these tax credits to our older adults who are struggling financially. Finally, it would be a public health crisis to displace vulnerable older adults from their homes and communities during a global pandemic. Many elders are more vulnerable to COVID-19 and more likely to need to be hospitalized.

HB449 is the right thing to do to care for our older adults and it is more important to do so now than ever before. For all of these reasons, we support HB 449 and urge a favorable report.

Best,

Marceline White
Executive Director