



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**Senate Bill 343
In the Senate Budget and Taxation Committee– Property Tax Credit
Attestation of Gross Income
Hearing on January 24, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 343 in response to a request from Senator McCray.

Maryland Legal Aid (MLA) is the largest non-profit law firm in the State of Maryland and represents low-income homeowners in foreclosure mediations, tax sales, litigation connected to foreclosure, foreclosure matters, and bankruptcies connected to home preservation. MLA also helps many clients to apply for retroactive and current year property tax credits. SB 343 increases the income threshold for the homeowners and rental property tax credit from \$60,000.00 to \$70,000.00 and eliminates public benefits received in a cash grant from the asset and income calculation for the homeowners and rental property tax credit.

By increasing the income threshold for eligibility and eliminating cash grants from the asset calculation, SB 343 will make more homeowners and renters eligible for the homeowners and renters property tax credit. It also brings homeowner eligibility for the credit closer to the Maryland household median income, which is \$108,200.00¹. Making more homeowners eligible for these credits will also mean that the adverse consequences from non-payment of property taxes will be less likely to occur for more homeowners. Those negative consequences include loss of a home due to tax sale, reverse mortgage foreclosure, or could include loss of homeowners insurance or other negative results. This small change alone will do a great deal to limit the number of homeowners that suffer these adverse consequences.

SB 343 will also prevent increases in social security and pension income due to inflation or the awarding of public benefits from making a homeowner ineligible for the homeowners or renters property tax credit. It will also mean that homeowners that receive assistance from the state to prevent the loss of a home or eviction, such as rental assistance or mortgage assistance from the Maryland Homeowners Assistance Fund (HAF), will not be rendered ineligible for future homeowners or renters property tax credits due to this assistance.

¹ <https://www.statista.com/statistics/205949/median-household-income-in-maryland/>.

Because SB 343 makes more homeowners and renters eligible for the homeowners and renters property tax credit, MLA urges a favorable report on SB 343. If you need additional information in regards to this bill, please contact William Steinwedel at wsteinwedel@mdlabor.org and (410) 951-7643.

/s/William F. Steinwedel

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Maryland Legal Aid Bureau