

Senate Committee on Housing and Development,

I appreciate you opening this hearing opportunity to garner testimony from the landlords who have tenants that have been unable to pay their rent since the onset of the Covid-19 pandemic. We are in support of this bill with the following amendments/clarifications.

- first to clarify the language to include landlords whose tenant no longer occupies the residence and
- second for increased flexibility of the tax credit allowing the credit to be applied to property taxes if that is of benefit to the landlord over the five-year option.

Rationale: This Senate Bill begins to address the burden on landlords who have not been paid for their rental units. I would request clear language in the bill delimitating that the tenant may or may not be a current resident in the property or unit. This is important because the "Landlord Compensation Fund" is only available to landlords whose tenant still occupies the unit. This leaves landlords who had previous tenants who no longer occupy the unit with no option for compensation. There are various length of time and various amounts of lost rent for landlords during the April-December window, in some cases significant amounts. In the case of the "Landlord Compensation Fund" if the tenant no longer is in the unit, you are ineligible to submit a claim. I would encourage the committee to make the language in this bill clear allowing landlords who no longer have an occupied unit to submit their claim and access income tax credit forgiveness. Also needing attention in the tax credit relief process is a route for landlords who do not have a forwarding address for the tenant to comply with notification and documentation requirements related to a tenant who no longer occupies the rental unit. That needs consideration to prevent lack of access for the landlords who were not able to access the "Landlord Compensation Fund" and who did not evict nor submit their tenant to a collection agency but remain uncompensated for a significant amount of rental income.

Additionally, I would ask the committee to broaden the compensation schedule beyond the five year 20% to also include the ability to apply the credit to property taxes (for 2020 and 2021) on the rental property in lieu of or in addition to claiming the tax credit over multiple years in a five-year period. For some landlords, the lack of rent payment during the April-December 2020 time period made it challenging or impossible to pay property taxes. Rather than face liens or the potential loss of the property through forced sale, which has the potential to impact the level of housing units available, extending the credit to payment of property taxes supports the immediate need of both the landlord who wishes to provide housing and the tenant seeking housing in an already scarce circumstance.

I appreciate your consideration on these two amendment/clarification requests:

- first to clarify the language to include landlords whose tenant no longer occupies the residence and
- second for increased flexibility of the tax credit allowing the credit to be applied to property taxes if that is of benefit to the landlord over the five-year option.

Thank you for your consideration.