



**JUSTICE FOR ALL**

January 18, 2024

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

FROM: Steven Messmer

Tangled Title Attorney, Maryland Volunteer Lawyers Service

RE: SB53 – Real Property Transfer to Heir – Exemption from Prepayment –  
Support

The Maryland Volunteer Lawyers Service urges this Committee to favorably report SB 53. If passed, Senator Kelly's bill will take effect on October 1, 2024. This bill eliminates real property tax prepayment requirements on instruments of writing transferring real property from the estate of a decedent to that decedent's heirs.

Real property should transfer to a decedent's heirs irrespective of when the taxes on the property are paid. Some heirs do not have the means to pay taxes prior to inheriting. This leaves them with unclear title to the property, in a phenomenon called "heirs' property" or "tangled title." Many of our clients struggle to get clear title after the death of the homeowner due to a number of inequitable barriers, including the requirement to prepay taxes.

Without clear title, heirs do not qualify for the Homestead Tax Credit or home repair grants. And even though they technically qualify for the Homeowners' Tax Credit, almost no one knows this as the Maryland Department of Assessments and Taxation does not make this information readily available. Also, the wealth in the home is inaccessible to the heirs as they cannot leverage their real property in order to pay those taxes, replace the roof, send a kid to college or start a business.

This bill is fiscal neutral as heirs will continue to be liable for any incurred property taxes owed. Property taxes are not forgiven with the transfer and are still enforced through the tax sale process. In many cases, when an heir is able to record the deed and apply for and receive housing stabilization assistance, they are in a stronger position to pay their property taxes on time.

For the foregoing reasons, the Maryland Volunteer Lawyers Service urges a **favorable** report of the Senate Bill 53.