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January 18, 2024

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

FROM: Tiffany Clark
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: SB 53 Real Property - Transfer to Heir - Exemption From Prepayment -
Favorable

The Office of Attorney General urges this Committee to favorably report Senate Bill 53. 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 may not have the means to pay taxes prior to inheriting. If Senate Bill 53 passes, heirs can leverage the real property for loans, etc., in order to pay the necessary transfer taxes. According to the U.S. Department of Agriculture, heir property is "the leading

cause of Black involuntary land loss.”¹ Senate Bill 53 is a means of stemming the tide of such land loss and is consistent with nationwide progressive trends with respect to real property laws.²

For the foregoing reasons, the Office of the Attorney General urges a favorable report of Senate Bill 53.

cc: Senator Ariana Kelly
Committee Members

¹ See Lizzie Presser, *Their Family Bought Land One Generation After Slavery. The Reels Brothers Spent Eight Years in Jail for Refusing to Leave It*, ProPublica, July 15, 2019, available at:

<https://features.propublica.org/blackland-loss/heirs-property-rights-why-black-families-lose-land-south/>

² See Lizzie Presser, *How to Close Heirs Property Loopholes*, ProPublica, July 15, 2019, available at <https://www.propublica.org/article/what-can-heirs-property-owners-do-to-protect-their-land-loss> (noting that advocates call for “Legislation that allows heirs’ property owners to access exemptions from property taxes that are available to all homeowners.”).