

Written Testimony HB 1148 - SB 765 - Heirs' Proper

Uploaded by: Allison Harris

Position: FAV



HB 1148/SB 765
PROPERTY TAXES - TAX SALES, HEIRS PROTECTION PROGRAM, AND TAX CREDITS
HEARING BEFORE THE SENATE BUDGET AND TAXATION COMMITTEE
March 3, 2026
POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services through free legal clinics. PBRC supports HB 1148/SB 765 because it will help prevent the loss of homeownership among families who will be at risk of losing the family home after the death of the titled homeowner.

Over the past ten years, PBRC has assisted nearly 1,000 homeowners at risk of losing their homes to tax sale. As lower-income homeowners, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes. When homeowners pass away, the heirs to their home must open an estate and complete a lengthy and sometimes complicated process to obtain proper title to the home; the requirements to transfer a deed may force an unexpected and large expense on the family, and it is not an accessible process for many low-income surviving families. As a result, many families remain unable to transfer the deed in their names for a long time, if they ever do. This “heirs’ property” or “tangled title” problem frequently lands families in tax sale.

In the last year we have added to our own capacity in response to this, but we know that there are large numbers of heir homeowners in our communities who need legal assistance to complete the process to obtain proper title. In addition, one factor that has contributed to the prevalence of this situation is the lack of knowledge around (a) the transfer of homeownership and (b) the benefits of obtaining proper title to the home. In the first instance, we find that many people assume incorrectly that they automatically inherited the home when their parent passed away. In the second, most people are unaware of the existence of financial assistance programs that would keep their property affordable and in good condition, such as property tax credit programs and home repair programs, and they are unaware that they would be able to access these programs if they undertook the process to get on the title to the home.

By allowing access to the State Tax Sale Ombudsman's assistance programs and tax credit programs, by increasing education about heir homeownership, and by facilitating access to legal services, these heir homeowners will be better positioned to obtain title, avoid tax sale foreclosure, and keep their homes and the equity their families have worked so hard to build.

HB 1148/SB 765 may protect certain Marylanders from the loss of their family home, thereby preserving homeownership and the transfer of intergenerational wealth.

For the above reasons,

PBRC urges a FAVORABLE report on HB 1148/SB 765.

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.
aharris@probonomd.org • 443-703-3050

SB765 Tax Sale and Heirs Protection Program.pdf

Uploaded by: Dan Ellis

Position: FAV



Neighborhood Housing Services of Baltimore, Inc.

February 27, 2026

Senator Guy Guzzone, Chair
3 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 765

Honorable Chair Guzzone and Members of the Committee:

I am the Chief Executive Officer of Neighborhood Housing Services of Baltimore (NHS), and a resident of Baltimore City. Our organization believes that economic and social justice are a right for all residents and communities. We promote this belief by removing barriers of access to homeownership, helping resident access resources to maintain their homes, and supporting communities historically impacted by systemic disinvestment.

SB765 is designed to protect the property rights of heirs, allowing generational wealth to be passed within a family. In Maryland, many families informally pass property following the death of a family member. This is done by residing in the home and paying any bills without transferring the deed. Problems emerge when it is necessary to make changes to the mortgage, access utility records or accounts, or access benefits provided in Maryland to support homeowners. This can result in heirs not being able to access critical information programs resulting in increases in costs. SB765 addresses this problem by creating the Heirs Protection Program and the Heirs Protection Fund to support heirs in becoming title holders for the properties. The bill also allows heirs to access critical state programs such as the Homestead Tax Credit and Homeowners Property Tax Credit. These critical changes bring much needed support to these valued residents of Maryland.

SB765 provides critical support to property heirs looking to maintain family property. We ask that the Committee issue a *favorable* report on SB765.

Sincerely,

A handwritten signature in black ink that reads "D. T. Ellis".

Daniel T. Ellis
Chief Executive Officer



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SB0765 - MBA - FAV - GR26.pdf

Uploaded by: Evan Richards

Position: FAV



SB 765 – Property Taxes - Tax Sales, Heirs Protection Program, and Tax Credits

Committee: Senate Budget & Taxation Committee

Date: March 3, 2026

Position: Favorable

The Maryland Bankers Association (MBA) **SUPPORTS** SB 765. This legislation strengthens the ability of heirs to establish clear legal title, avoid tax sales, and access essential tax credits and legal assistance. SB 765 introduces practical and long-overdue reforms that enhance title clarity, reduce preventable home loss, and promote financial stability for Maryland families.

By authorizing the State Tax Sale Ombudsman to assist individuals acting on behalf of deceased homeowners—as well as heirs and legatees—the bill reduces the legal uncertainty that frequently prevents inherited homes from being maintained, refinanced, or effectively managed. The creation of the Heirs Protection Program further ensures that inherited properties are not pushed into tax sale, providing families with the time and support necessary to resolve delinquent tax obligations. Additionally, the bill’s guidance on applying for available tax credits helps heirs remain financially stable and better positioned to stay current on mortgage payments associated with inherited properties.

SB 765 represents a thoughtful and targeted policy solution that protects Maryland homeowners, preserves intergenerational wealth, and strengthens communities. It also contributes to a healthier lending environment by reducing title ambiguity, preventing unnecessary tax sale outcomes, and supporting long-term, stable homeownership. Accordingly, MBA urges the issuance of a **FAVORABLE** report on SB 765.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.

SB765_FAV_EconAction.pdf

Uploaded by: Jennifer Bevan-Dangel

Position: FAV



SB765: Property Taxes - Tax Sales, Heirs Protection Program, and Tax Credits

Position: Favorable

March 3, 2026

The Honorable Guy Guzzone, Chair
Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Guzzone and members of the Committee,

Economic Action Maryland Fund urges a favorable report on SB765, which would protect low-income Marylanders from devastating tax sales upon inheriting property.

Economic Action Maryland Fund has been involved in tax sale reform over the past decade and has served on the tax sale work group for a number of years. Economic Action began our work promoting and screening for the Homeowners Tax Credit when we realized that many older adults in Baltimore City would receive enough credits to redeem their home from tax sale. Over the past eight years we have screened for homeowners tax credits, we have been able to save several homes from tax sale-securing the house and its equity for the homeowner to use or pass onto their family members.

Over the past decade, legislation has passed to reform the tax sale process, but too many families still face the potential loss of their home when the property passes from one generation to the next. By connecting heirs with property tax credits and potential legal assistance, and by allowing heirs facing tangled title to receive the property tax credit, this bill can save families from losing their home. This in turn helps stabilize communities, as the cycle of vacancy is self-perpetuating.

At a time when many low-income households are struggling with the rising costs of goods and services, SB765 expands protections statewide to help households remain in their homes and retain their equity so that they can build wealth and pass it onto their family members.

For these reasons, we urge a favorable report on SB765.

Sincerely,
Jennifer Bevan-Dangel, Deputy Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

2209 Maryland Ave · Baltimore, MD 21218 | www.econaction.org
Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

Written Testimony - SB 765.pdf

Uploaded by: Melanie du Bois

Position: FAV



Habitat for Humanity[®]
of the Chesapeake

*Bringing people together to build
homes, communities & hope*

Senate Budget and Taxation Committee

SB 765

Property Taxes – Tax Sales, Heirs Protection Program, and Tax Credits

March 3, 2026

Position: SUPPORT

Dear Chair Guzzone and Vice-Chair Rosepepe,

Habitat for Humanity of the Chesapeake is the leading provider of affordable homeownership opportunities in Central Maryland. Over the past 45 years, we have built or renovated more than 800 homes in 26 communities across Baltimore City and Baltimore, Anne Arundel and Howard Counties. **Habitat for Humanity of the Chesapeake supports SB 765 because it will help prevent the loss of homeownership among families who will be at risk of losing the family home after the death of the titled homeowner.**

Habitat for Humanity of the Chesapeake is committed to advancing safe, decent, and affordable homeownership for low and moderate-income families throughout Central Maryland. For most of these families, the predominant form of accumulated wealth that they have, and that they can pass on to their families, is the equity in their homes. Through our work with homeowners, we have seen how lengthy and sometimes complicated the process is for an heir to obtain proper title to the home, oftentimes forcing an unexpected and large expense on the family. As a result, many families remain unable to transfer the deed into their name for a long time, which can frequently land families in tax sale due to “heirs’ property” or “tangled title” issues.

By allowing access to the State Tax Sale Ombudsman’s assistance programs and tax credit programs, by increasing education about heir homeownership, and by facilitating access to legal services, these heir homeowners will be better positioned to obtain title, avoid tax sale foreclosure, and keep their homes and the equity their families have worked hard to build. This legislation aligns with our mission in several vital ways, including preventing involuntary loss of homes, supporting housing stability, and reducing displacement pressures. SB 765 may protect certain Marylanders from the loss of their family home, thereby preserving homeownership and the transfer of intergenerational wealth. For these reasons, we **strongly support a favorable report on SB 765.**

Sincerely,

Melanie du Bois

Homeowner Outreach and Support Coordinator

Habitat for Humanity of the Chesapeake • 3741 Commerce Drive, Suite 309 • Baltimore, MD 21227
Phone: 410.366.1250 • Fax: 410.366.1310 • ReStore Donation Line: 410.633.0506 • habitatthesapeake.org

CLC Testimony SB 765 Tax Sale 2.27.26.pdf

Uploaded by: Shana Roth-Gormley

Position: FAV



SB 765

Property Taxes – Tax Sales, Heirs Protection Program, and Tax Credits

Hearing before the Senate Budget & Taxation Committee
March 3, 2026

POSITION: Favorable

Community Law Center (CLC) is a 501(c)(3) nonprofit organization, which is a legal partner to Maryland neighborhoods and nonprofits in pursuit of more just and vibrant communities. CLC provides direct legal representation to communities and nonprofits on issues like tax exemption and organizational governance, real estate, contracts, intellectual property, employment law, and more. We advocate on issues that impact our Maryland neighborhood and nonprofit clients, including tax sale and vacant properties.

CLC supports SB 765 to provide more protection to Maryland residents and property heirs, to keep families in their homes and preserve generational wealth. HB 1148 would benefit Marylanders by:

- Expanding the definition of “homeowner” to include heirs and personal representatives of deceased homeowners;
- Creating an Heirs Protection Program and Heirs Protection Fund administered by the State Tax Sale Ombudsman to prevent tax sale of heirs’ properties, and allow heirs to remain in their homes and become the record title holder;
- When a homeowner passes away, assisting the property heirs with understanding and completing the process to become the title holder, receive tax credits, get legal assistance and grants to pay for probate fees; and
- Allowing heirs access to the property tax credits program.

These changes would make significant improvements in ensuring that families do not lose their homes after the death of a loved one. By ensuring that heirs receive assistance and protection, we can ensure that Marylanders’ grief and vulnerability after a loss is not compounded by losing their family home. When homeowners and heirs are protected and are able to receive assistance like that provided in SB 765, the whole community benefits, by ensuring that we have protected our neighbors and by preventing the loss of generational wealth in a family’s home or the creation of a new vacant property.

CLC supports SB 765. Thank you for the opportunity to testify.

For the above reasons,
CLC urges a FAVORABLE VOTE ON SB 765.

Please contact Shana Roth-Gormley, Staff Attorney at Community Law Center, with any questions.
ShanaR@communitylaw.org | 410-366-0922

SB0765 Testimony.pdf

Uploaded by: Steven Kappen

Position: FAV



JUSTICE FOR ALL

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MARYLAND SENATE BUDGET AND TAXATION COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF SB 0765: PROPERTY TAXES - TAX SALES, HEIRS
PROTECTION PROGRAM, AND TAX CREDITS
WEDNESDAY, MARCH 3, 2026

Chair Guzzone and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 765.

My name is Steven Kappen, and I work with low-income heirs every day, helping them resolve their property issues and preserve their family legacy. Heirs across the state are losing their chance at intergenerational wealth, opportunity, and stable housing. This bill helps the State Tax Sale Ombudsman ensure that heirs, especially older adults, will not lose these vital opportunities. We request a favorable report on SB0765.

I manage our Tangled Title project at the Maryland Volunteer Lawyers Service (MVLS), which has focused on heirs and their needs for over eight years. MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. Since MVLS' founding in 1981, our statewide panel of over 700 volunteers has provided free legal services to over 115,000 Marylanders in a wide range of civil legal matters. We provide critical housing stabilization work that helps older adults age in place, including tax sale foreclosure support, estate planning, probate, and helping heirs clear their title.

Tax sales, mortgage foreclosures, and scams have a disproportionate effect on vulnerable communities, like heirs and especially older adult heirs, and helping them clear title is critical to protecting them. Many of our clients are struggling to get clear title due to the requirement that liens be paid prior to transferring the property, and the inability for them to utilize their home equity to help with setting those liens. The barriers are immense, and the legal work required to handle them can be thousands of dollars in extra costs, if you can find a private attorney to take it on. We provide critical pro bono legal support, but this fundamental math problem is why the Heirs Protection Fund is necessary as a tool for Maryland to help set these families up for success and unlock these legacies.

One of our clients, Ms. A, is the exact type of person who this bill will help. She lives alone, is over 60, and disabled with mobility issues. When her health took a downswing, her home went into the annual tax sale. Why wasn't she able to pay her taxes? She was in a coma. Ms.

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Maryland Volunteer Lawyers Service (MVLS) removes barriers to justice through free civil legal help, community engagement, and advocacy for equitable laws. Our vision is for a fair legal system that is free of injustice and equitably serves underrepresented Marylanders.

A was also facing numerous challenges to clean title as an heir, further complicating her situation. The Heirs Protection Fund is necessary to help homeowners clear the requisite barriers to gain clear title. We request a favorable report.

Chair and members of the Committee, thank you again for the opportunity to testify.

SB 765.pdf

Uploaded by: William Steinwedel

Position: FAV

**Senate Bill 765—Property Taxes – Tax Sales, Heirs Protection Program and
Tax Credits
Hearing on March 3, 2026 – Budget and Taxation Committee
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 765 in response to a request from Senator Craig Zucker.

Maryland Legal Aid (MLA) appreciates the opportunity to testify in support of this vital legislation. We are the state’s largest nonprofit law firm, representing thousands of low-income Marylanders every year in civil legal cases involving a wide range of issues, including family law, housing, public benefits, and consumer law. , Because SB 765 would provide heirs who inherit property assistance including assistance in avoiding tax sale, MLA testifies in strong support of this bill.

SB 765 provides support to heirs who live in a home where the owner had died leaving a property tax default. The proposed legislation establishes an Heirs Protection Program in the Tax Sale Ombudsman’s office to assist these homeowners. MLA has experience with people facing the difficult and mentally taxing situation of having to correct title to add themselves and remain in the home and pay property taxes. Our office had a client who inherited her home from her father. In addition to her father’s death, she was also dealing with several medical issues and the murder of her son. Within a few months after her father’s death, the property was sold at tax sale and she began to receive letters threatening the loss of the home if she did not immediately cure the property tax default. MLA was able to get financial assistance for this client to avoid a tax sale foreclosure, but had SB 765 been in place, it is possible this situation could have been avoided completely.

In addition, simply recording the title transferring ownership is difficult enough, and SB 765 provides homeowners with a way to seek assistance in this process. The recording of deeds in Maryland can be a Kafkaesque process that can cause homeowners to get frustrated to the point that they lose hope. MLA represented a client that had to record a deed and even with legal assistance, the process took months. With the proposed Heirs Protection Program, the homeowner is protected from tax sale while working through the title transfer issues with their property.

Finally, homeownership and preserving homeownership for future generations is the single most certain way for middle-class families to build wealth in America¹. The loss of property to a tax sale after an elderly family member dies denies a family that road to financial stability and

¹ Jung Hyun Choi and Amalie Zinn. “The Wealth Gap Between Homeowners and Renters Has Reached an Historic High.” *Urban Institute*. <<https://www.urban.org/urban-wire/wealth-gap-between-homeowners-and-renters-has-reached-historic-high>.> July 2024.

preservation of community. By creating the Heirs Protection Program, SB 765 assists families in preventing the loss of this fundamental wealth builder.

Because SB 765 would assist heirs in preventing family homes from going into tax sale, MLA gives strong support to SB 765. If you need additional information regarding this bill, please contact William Steinwedel at wsteinwedel@mdlabor.org and (410) 951-7643.

SB765- Amendment-B&T- 2.27.26.pdf

Uploaded by: Craig Zucker

Position: FWA



SB0765/183725/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

27 FEB 26
15:16:01

BY: Senator Zucker

(To be offered in the Budget and Taxation Committee)

AMENDMENT TO SENATE BILL 765

(First Reading File Bill)

On page 18, in line 6, strike "July 1, 2026" and substitute "July 1, 2027".

SB765- Senator Zucker- Senate.docx.pdf

Uploaded by: Craig Zucker

Position: FWA

CRAIG J. ZUCKER
Legislative District 14
Montgomery County



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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 765- Property Taxes - Tax Sales, Heirs Protection Program, and Tax Credits
March 3rd, 2026
1:30pm
Position: Favorable With Amendment

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Tax Committee. It is my pleasure to testify today in **support of Senate Bill 765-Property Taxes - Tax Sales, Heirs Protection Program, and Tax Credits**. Senate Bill 765 mirrors House Bill 1145 and puts in place meaningful protections for Marylanders who inherit property.

SB765 does three things: (1) establishes the Heirs Protection Program and Fund to address a gap in Maryland's property tax system that currently places inherited family homes at risk of tax sale; (2) alters eligibility for the homeowners' and homestead tax credits to include certain heirs not shown as the record title holder; (3) requires the State Tax Sale Ombudsman to publish information about the program and conduct direct outreach to heirs whenever the State Department of Assessment and Taxation (SDAT) receives notification that a recipient of homestead or homeowner tax credits has died. Additionally, we have a sponsor amendment which would delay implementation of the bill until 2027 to give SDAT adequate time to implement the changes.

Homeownership is one of the most powerful tools for building economic security and generational wealth. Over the years, we have created strong programs to protect homeownership. These programs directly help preserve housing stability and financial opportunity that can be passed down to children and grandchildren-- that is, if those homes are not lost along the way.

The need for this reform is well documented. According to the National Consumer Law Center, heirs property loss is a significant driver of land loss in communities of color and a key contributor to the widening homeownership gap between White and Black households. Studies estimate that more than half the real property owned by Black Americans is owned as heirs' property, and barriers in finding legal assistance in the probate process and paying for inheritance fees further exacerbate the problem. This results not only in displacement but also in destabilization of neighborhoods and loss of generational wealth, outcomes that undermine the long-term tax base and community stability.

SB765 offers a measured, administratively workable solution that preserves homeownership where possible, protects family assets, preserves and strengthens opportunity, and enhances the integrity of Maryland's tax sale system.

I urge a favorable with amendment report on **Senate Bill 765**. Thank you.