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Baltimore and Howard Counties

Health and Government Operations
Committee

Subcommittees

Government Operations
and Estates and Trusts

Public Health and
Minority Health Disparities



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House Bill 610

Homeowners' Property Tax Credit – Eligibility of Surviving Family Member

Dear Chair Guzzone, Vice Chair Rosapepe and Members of the Budget and Taxation Committee,

HB610 is introduced to make it easier for a family's primary residence to remain in possession of the family when a homeowner dies. This bill arises from the work of the Attorney General's Access to Justice Task Force, Life and Health Planning Subcommittee and is directed at correcting the identified problem of current law effectively penalizing poorer individuals and families from inheriting the homeowner's tax credit they otherwise qualify for simply because they cannot afford to go through probate.

The family home is usually an individual's most valuable asset. In cases where the home is a shelter for multiple generations or an expanded family, when the homeowner dies, the family living in the home must file through probate to transfer the home to the decedent's heirs. The probate process is often unfamiliar and overwhelming, and the cost, particularly absent the authority to leverage the family's most valuable asset (i.e. the home itself) can be prohibitive. This can create a conundrum: family members sharing a home who could afford to take on that home's ownership if given the benefit of the qualifying homeowner's tax credit upon the death of the homeowner, can't inherit the property until they are able to pay taxes that would not have been assessed had they been able to afford to go through the legal process to assume ownership of the property.

In some cases, rather than having continuity of residency and of ownership, the homes will go to tax sale for nonpayment of real property taxes and the surviving family members may face homelessness. This negatively impacts not only the family but the communities as a whole, as the number of homeowners who are part of and live in the community decrease. The individual and societal, short and long-term ramifications can be profound. The significant size of the problem has been brought into focus by the pandemic.

Without expanding the number of people for whom the HOTC was designed to benefit, HB610 simplifies the process and decreases the associated cost so that more of those the program intends to benefit actually can.

In summary:

- Our homes represent safety and security and, for many of us, is our most valuable asset.
- Probate can be a costly process with filing fees, publication costs, bond requirements, and existing property taxes.
- An inability for a decedent's heirs to access the HOTC may make it impossible for them to continue owning or residing in the family home.
- HB610 can help decrease racial, ethnic, and gender wealth disparities and transgenerational inequities.
- HB610 facilitates the transference of the family home and better ensures that vulnerable families protection against predatory policies and practices.

I ask for a favorable report on HB610 so families dealing with the loss of a family member do not simultaneously face the potential loss of the family home.

A handwritten signature in black ink, appearing to read "Terri L. Hill", with a stylized flourish above the name.

Terri L. Hill, M.D.