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**HB 610**

**HOMEOWNERS' PROPERTY TAX CREDIT – TRANSFER OF DWELLING TO SURVIVING FAMILY MEMBER  
HEARING BEFORE THE HOUSE WAYS AND MEANS COMMITTEE**

**FEBRUARY 2, 2021**

**POSITION: SUPPORT**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide clearinghouse for pro bono 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. **PBRC supports HB 610 because vulnerable surviving family members of homeowners who are under economic strain need access to the Homeowners’ Tax Credit to help prevent the loss of their homes.**

Over the past six years, PBRC has assisted over 650 homeowners at risk of losing their homes to tax sale. For homeowners, ending up on the tax sale list is usually the result of the inability to pay one’s property taxes. The clients served by tax sale prevention clinics held in Baltimore by PBRC and Maryland Volunteer Lawyers Service in 2020 represented some of our state’s most vulnerable citizens: 72% were seniors, 48% were disabled, 85% identify as Black, and nearly three-quarters (72%) reported annual household incomes of less than \$30,000. Through the advocacy of volunteer attorneys, many of these clients can access programs and credits that reduce their property tax burden and allow them to stay in their homes. However, most Maryland homeowners are unrepresented.

The average length of homeownership amongst our 2020 Baltimore clients was 24 years, and nearly 75% of them owned their homes free of a mortgage. 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. Many low-income homeowners are only able to afford their property taxes with the assistance of the Homeowners’ Property Tax Credit, but when they pass away, the heirs to their home must pay the full amount of the tax bill to properly obtain title to the home. The full property tax bill is simply out of reach for these surviving families and so they are unable to get the deed in their names, and therefore unable to access the Homeowners’ Tax Credit themselves and unable to pay their taxes. This “tangled title” problem frequently lands families in tax sale. By extending the property tax credit to surviving family members of homeowners already receiving the credit, these heir homeowners will be able to pay their taxes, avoid tax sale foreclosure, and keep their homes and the equity their families have worked to build.

PBRC supports HB 610, which may protect certain Marylanders from the loss of their family home to tax sale foreclosure, thereby preserving homeownership and the transfer of intergenerational wealth. Thank you for the opportunity to testify.

For the above reasons,

**PBRC urges a FAVORABLE report on HB 610.**

Please contact Allison Harris, Director of PBRC’s Home Preservation Project, with any questions.

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