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**HB 865/SB 769**  
**BALTIMORE CITY - RESIDENTIAL REAL PROPERTY -**  
**DISCLAIMED PROPERTY AND EXEMPTIONS FROM PREPAYMENT**  
**HEARING BEFORE THE SENATE JUDICIAL PROCEEDINGS COMMITTEE**  
**FEBRUARY 28, 2023**  
**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 pro bono civil legal services in Maryland. 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 865/SB 769 because vulnerable surviving family members of homeowners who are under economic strain need relief from a large tax payment to help prevent the loss of their homes.**

Over the past eight years, PBRC has assisted nearly 800 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, not an unwillingness. The clients served by our tax sale prevention clinics held in Baltimore in 2022 represented some of our state’s most vulnerable citizens: 74% were seniors, 39% were disabled, 76% identify as Black, and 76% reported annual household incomes of less than \$30,000. On average, our 2022 Baltimore clients encountered in our clinics had owned their homes for 32 years, and over 70% 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.

When homeowners pass away, the heirs to their home must pre-pay the home’s tax bill to properly obtain title to the home. The prepayment requirement may force an unexpected and large expense on the family, and it precludes certain heirs who would be eligible for the Homeowners’ Property Tax Credit from receiving the discount prior to paying the full bill. The full property tax bill, required to be paid in a single lump sum, is simply out of reach for many low-income surviving families and so they are unable to get the deed in their names. This “tangled title” problem frequently lands families in tax sale. By exempting surviving family members of homeowners from the prepayment requirement, 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 to build.

PBRC supports HB 865/SB 769, which may protect certain Baltimore residents 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 865/SB 769.**

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

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