



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**Senate Bill 423
In the Senate Judicial Proceedings Committee – Real Property
Recordation -- Procedures
Hearing on February 14, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 423 in response to a request from Senator Mary Dulany-James.

MLA has represented low-income homeowners in foreclosure, tax sale and other consumer matters for many years. SB 423 provides a procedure by which homeowners who are seeking to transfer properties can obtain documentation from their land record office to show how much is owed in property taxes and other costs on the property. MLA testifies in strong support of this bill.

SB 423 addresses a key area of concern affecting the transfer of properties within families and offers the opportunity to build intergenerational wealth. Homeownership and housing equity play a critical role in building wealth for all communities but is especially important for low-income neighborhoods¹. By providing a procedure where homeowners who are seeking to inherit properties from family members can easily obtain the required amounts to be paid to successfully transfer the property, SB 423 makes the process of preserving a property from generation to generation and building generational wealth much easier.

Families face challenges in coming up with the funds needed to settle the outstanding taxes and charges. Often families are already under significant financial strain, without access to credit, and working with limited resources, if any at all. SB 423 allows them to quickly get the information needed so that they can obtain assistance to cure these outstanding taxes and charges. There are several programs, such as the SOS Fund in Baltimore City and the Homeowners Protection Program, that may be available to assist low-income homeowners with these outstanding taxes and charges, but without the necessary information on how much is owed, it can be difficult to qualify for these programs. SB 423 would make it easier for low-income homeowners to get this information so they can quickly get the assistance that they need.

At Maryland Legal Aid, our attorneys have spent countless hours in county offices and municipal buildings trying to resolve property tax bills, water bills, and figure out fee issues for individuals trying to save their homes from foreclosure; homes that are not titled in their names.

¹ Black, Latino, and Hispanic homeowners tend to rely on their home equity for wealth building more than White homeowners; housing equity represents roughly 60 percent of Black, Latino, and Hispanic homeowners' total net worth, as opposed to 43 percent of White homeowners' total net worth. See McCargo, Alanna and Jung Hyun Choi. "Closing the Gaps: Building Black Wealth through Homeownership." Urban Institute, 2020. https://www.urban.org/sites/default/files/publication/103267/closing-the-gaps-building-black-wealth-through-homeownership_1.pdf.

By creating a procedure where homeowners and their representatives could quickly obtain this information, SB 423 would make it much easier to solve these problems.

For these reasons, Maryland Legal Aid fully supports the passage of SB 423. MLA finds that this bill is in the best interests of our State's low-income communities and asks that the Committee grant SB 423 a favorable report and urge its ultimate passage. If you have any further questions, do not hesitate to contact me at (410) 951-7643 or via e-mail at wsteinwedel@mdlaborg.

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