



**Testimony to the House Ways and Means Committee
HB54 Property Tax - Transfer to Heir - Payment Plans
Position: Favorable**

2/6/2024

The Honorable Delegate Atterbeary, Chair
Ways and Means Committee
House Office Building, Room 131
Annapolis, Maryland 21401

CC: Members of the Ways and Means Committee

Chair Atterbeary and Honorable Members of the Committee:

My name is Zoe Gallagher and I am a Policy Associate at Economic Action Maryland. Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. I am writing today to urge your strong support on HB54, which establishes a property tax payment plan for low-income heirs of deceased property owners.

As it is well known, one of the most common ways to build generational wealth in this country is through home ownership. Passing down the family home is a way for older adults to ensure the financial stability of the next generation of their family. Many retirees work hard to pay the property taxes on their family homes. However, this is not always a possibility for low-income retirees with fixed incomes, especially as assessed property values have skyrocketed across Maryland over the last few decades. Because of these financial obstacles, many low-income adults will pass away with outstanding property taxes, leaving the heir to that property to pay the outstanding taxes, or risk losing the home to tax sale.

This especially becomes a problem in the context of racial disparities related to wealth and homeownership. Historic redlining policies already continue to create disparate outcomes for home values, and thus the ability to develop generational wealth in majority black communities. The legacy of discriminatory policy has also led to disparities in homeownership across racial lines, in 2023, the homeownership rate for white Marylanders was 78%, while the homeownership for black Marylanders was 52%¹. In order to promote economic and racial equity in this state, we must prioritize legislation that breaks down barriers to generational wealth for communities of color. Having to pay a large sum of property taxes is a huge barrier, and not possible for many families. HB54 would allow for family homes to be retained through generations by establishing a payment plan for owed property taxes. This bill is an equalizer that allows revenue to still be collected, but in a manner that promotes equitable housing outcomes.

For these reasons, we support HB54 and ask for a favorable report.

Sincerely,
Zoe Gallagher, Policy Associate

¹<https://www.nar.realtor/sites/default/files/documents/2021-snapshot-of-race-and-home-buyers-in-america-02-18-2021.pdf>