



**JUSTICE FOR ALL**

HOUSE WAYS AND MEANS COMMITTEE  
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE IN  
SUPPORT OF HB0054: PROPERTY TAX - TRANSFER TO HEIR -  
PAYMENT PLANS

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TUESDAY, FEBRUARY 6<sup>th</sup>, 2024

The Maryland Volunteer Lawyers Service urges this Committee to favorably report House Bill 54.

My name is Steven Kappen, and I am a Tangled Title Staff Attorney at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. MVLS serves some of the most vulnerable people in Maryland, and we help our clients surmount numerous economic, logistic, and legal barriers daily. Our vision is for a fair legal system that is free of injustice and equitably serves underrepresented Marylanders. House Bill 54 brings our vision closer to reality, by helping low-income Marylanders transfer their property. Property transfers are a key method of preserving the hard-fought resources of our clients for future generations. We support this legislation, and we support expanding it. As written, the bill only includes “public taxes, assessments, and charges”, and only covers “heirs of the decedent”. We think that the access provided by the legislation as currently constructed is critical. However, the legislation leaves gaps that our clients fall through. We support amending the legislation to include legatees and the heirs of the decedent.

MVLS has been working for decades to support low-income Marylanders. MVLS was founded in 1981 by a group of concerned Maryland lawyers, legal services providers and leadership of the Maryland State Bar Association. For over 40 years, our statewide panel has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY23, over 300 MVLS volunteers along with our staff attorneys, moved justice forward in over 3,200 cases. Our panel of 985 attorneys and tax professionals impacted 7,927 clients and immediate family members. These cases covered areas such as family law, housing, expungements, tax, and deeds and estates. Every day, we help clients surmount economic barriers to justice. Due to our organization's consistent presence in the community, we are exposed to issues affecting vulnerable Marylanders. We have worked with numerous clients who have been unable to properly estate plan or provide for their children due to the current “clean lien sheet” requirement.

Real property should transfer to a decedent's heirs irrespective of when the taxes on the property are paid. The current statutory regime leaves many of our clients stranded without access to their family's largest asset- the home. Some heirs do not have the means to pay taxes prior to inheriting. This leaves them with unclear title to the property, in a phenomenon called "heirs' property" or "tangled title." Many of our clients struggle to get clear title after the death of the homeowner due to several inequitable barriers, including the current requirement to prepay taxes. In many cases, when an heir can record the deed and apply for and receive housing stabilization assistance, they are in a stronger position to pay their property taxes on time. Without clear title, heirs do not qualify for the Homestead Tax Credit or home repair grants. The wealth in the home is inaccessible to the heirs as they cannot leverage their real property to pay taxes, replace the roof, send a kid to college or start a business. These issues are prevalent in Black communities across Maryland. By allowing families to leverage their legacies, this legislation will work to mitigate the wealth gap for Black Marylanders.

This bill is fiscally neutral. Due to the payment plan requirement, heirs will be liable for any incurred property taxes owed. In addition, the interest of collecting property taxes has inevitability due to the tax sale process. Allowing Marylanders to dispose of their property and provide for future generations will not cost a thing.

To remove barriers to justice, the Maryland Volunteer Lawyers Service urges a favorable report of House Bill 54.