

**DATE:** February 25, 2025

**BILL NO.:** Senate Bill 724

**TITLE:** Baltimore City – Tax Sales – Heir-Occupied Property and Registry

**COMMITTEE:** Senate Budget and Taxation Committee

### **Letter of Support**

#### **Description of Bill:**

Senate Bill 724 authorizes the tax collector in Baltimore City to withhold from tax sale:

- Residential property occupied by an heir of a deceased owner, if the property meets objective criteria established by the Mayor and City Council; and
- Residential property owned or occupied by an owner or heir who is low-income, at least 65 years old, or disabled, if the owner or heir meets eligibility criteria established by the Mayor and City Council.

The bill also requires the tax collector in Baltimore City to withhold from tax sale any residential property that is owner-occupied or occupied by an heir of a deceased owner if the total taxes on the property, including interest and penalties, amount to less than \$750, and requires Baltimore City to establish and maintain a registry for interested parties to designate properties to be withheld from tax sale.

#### **Background and Analysis:**

When a homeowner dies without a will, passage of the property to heirs frequently goes unrecorded in land records, making it difficult for the heirs to receive notification of property taxes and water and sewer bills owed. This can result in these bills going unpaid and the property going to tax sale, potentially causing the loss of a family's home and most significant financial asset. This "heirs property" issue disproportionately affects vulnerable families who lack the resources to hire an attorney to draft a will or perform other estate planning services.

Baltimore City has a high concentration of properties and homeowners that are vulnerable to tax sale. Beyond the direct impact loss of a home to tax sale has on a family, properties in this category often become vacant or abandoned, contributing to blight and worsening the city's existing housing challenges.

Combined with existing programs that assist homeowners facing tax sale, such as the Homeowner Protection Program, and previous legislation aimed at addressing heirs property issues, such as 2022's Partition of Property Act, the implementation of additional protections for families already dealing with the death of a loved one will allow some of Baltimore's most vulnerable residents to keep their homes in the family rather than risk losing them to investors and speculators at tax sale.

#### **DHCD Position**

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on Senate Bill 724.