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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 765- Property Taxes - Tax Sales, Heirs Protection Program, and Tax Credits
March 3rd, 2026
1:30pm
Position: Favorable With Amendment

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Tax Committee. It is my pleasure to testify today in **support** of **Senate Bill 765-Property Taxes - Tax Sales, Heirs Protection Program, and Tax Credits**. Senate Bill 765 mirrors House Bill 1145 and puts in place meaningful protections for Marylanders who inherit property.

SB765 does three things: (1) establishes the Heirs Protection Program and Fund to address a gap in Maryland's property tax system that currently places inherited family homes at risk of tax sale; (2) alters eligibility for the homeowners' and homestead tax credits to include certain heirs not shown as the record title holder; (3) requires the State Tax Sale Ombudsman to publish information about the program and conduct direct outreach to heirs whenever the State Department of Assessment and Taxation (SDAT) receives notification that a recipient of homestead or homeowner tax credits has died. Additionally, we have a sponsor amendment which would delay implementation of the bill until 2027 to give SDAT adequate time to implement the changes.

Homeownership is one of the most powerful tools for building economic security and generational wealth. Over the years, we have created strong programs to protect homeownership. These programs directly help preserve housing stability and financial opportunity that can be passed down to children and grandchildren-- that is, if those homes are not lost along the way.

The need for this reform is well documented. According to the National Consumer Law Center, heirs property loss is a significant driver of land loss in communities of color and a key contributor to the widening homeownership gap between White and Black households. Studies estimate that more than half the real property owned by Black Americans is owned as heirs' property, and barriers in finding legal assistance in the probate process and paying for inheritance fees further exacerbate the problem. This results not only in displacement but also in destabilization of neighborhoods and loss of generational wealth, outcomes that undermine the long-term tax base and community stability.

SB765 offers a measured, administratively workable solution that preserves homeownership where possible, protects family assets, preserves and strengthens opportunity, and enhances the integrity of Maryland's tax sale system.

I urge a favorable with amendment report on **Senate Bill 765**. Thank you.