



Senate Bill 92 – Maryland Uniform Partition of Heirs Property Act

Position: Support

Maryland REALTORS® strongly supports SB 92 as a means to preserve generational wealth that is acquired through an inherited property.

The Uniform Partition of Heirs Property Act (UPHPA) was created to prevent a loss of equity that can occur when multiple parties inherit a property as tenants in common. In this situation, real estate speculators can acquire a small share from a single heir, then force the sale of the property from the remaining heirs. That speculator then purchases the entire property through a court-ordered sale at below market value.

The UPHPA creates protections for heirs to help them preserve wealth from an inherited property. It provides for an appraisal of the property to determine its fair market value, provides advance notice to co-tenants that one of the parties is seeking a partition sale, and allows the remaining co-tenants to purchase interests in the property to prevent a forced sale.

Several studies have noted that this process has resulted in a substantial loss of land and wealth, has limited economic opportunities, and contributed to the racial wealth gap that is present today. Analysis from the Federal Reserve Bank of Richmond shows that heirs property exists throughout Maryland, but is most concentrated in the Eastern Shore, Garrett County and Baltimore County. It is disproportionately felt in rural areas and by economically disadvantaged populations who do not have the means to execute detailed estate planning.

As of today, nineteen states have enacted some form of the model Uniform Partition of Heirs Property Act, concentrated across the South and Midwest. Another seven states, including Maryland, are currently considering adoption this year.

Maryland REALTORS® urges your favorable report on SB 92.

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