



HB 261 - Estates and Trusts - Priority of Claims on an Estate - Unpaid Child Support
House Judiciary Committee
January 22, 2025
SUPPORT

Chair Clippinger, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 261. This bill will prioritize the payment of unpaid child support in estate claims.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Currently in the event of death, unpaid child support is considered a debt and is paid during the estate administration process. However, unpaid child support is prioritized at the lowest level when it comes to debt settlement. As a result, children of the deceased and their caretakers may find themselves unable to receive the unpaid support that would be crucial for their well-being. Child support is intended to help cover the costs of raising a child, including basic necessities like food and stable housing. It can also assist with educational expenses, both during the K-12 years and for post-secondary education

Since child support remains unpaid, the child and their caretaker are left to bear the full financial burden without assistance from the other parent. Research indicates that unpaid child support has detrimental effects on both the custodial parent and the child. Taking on the entire cost of raising a child increases the likelihood of poverty and results in missed opportunities.

HB 261 will increase the priority of unpaid child support and increase the priority of children in the state of Maryland. The lump sum amount of unpaid child support could be used to eliminate debts, invest in education, and provide relief and overall support.

Thus, we encourage you to return a favorable report for HB 261.

Creating Assets, Savings and Hope