



HB 625 - Real Property - Transfer-on-Death Deed - Establishment

House Judiciary Committee

February 12, 2025

SUPPORT

Chair Clippinger, Vice-Chair and members of the committee thank you for the opportunity to submit testimony in support of House Bill 625. This bill provides a critical mechanism for homeowners to easily transfer real property to their heirs through the establishment of Transfer-on-Death (TOD) deeds.

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.**

HB 625 promotes economic security and wealth preservation for low-income Maryland families by simplifying the inheritance process. For many low-income households, homeownership is the most significant asset they own that can create generational wealth. If the proper documentation is not in place before the homeowner's death, the property will go through probate. The traditional probate process can be costly, time-consuming, and inaccessible. This leads to additional financial strain and the potential loss of generational wealth. The creation of TOD deeds under HB 625 allows property owners to designate beneficiaries, ensuring a smooth transition of ownership without the need for probate, excessive legal fees, or systematic delays.

HB 625 will help low-income families:

1. Enabling homeowners to pass on property outside of probate, this bill reduces the financial burden on surviving family members, particularly those with limited resources.
2. Reducing obstacles in retaining inherited property due to complex legal and financial barriers. TOD deeds provide a straightforward, low-cost solution.
3. Stabilizing communities by reducing property abandonment and ensuring continuity of ownership.
4. Streamlining the legal process by eliminating the need for probate court intervention, minimizing administrative delays and reducing court congestion.

By passing HB 625, Maryland will join a growing number of states that have adopted TOD deed legislation to modernize estate planning and protect family assets.

Thus, we encourage you to return a favorable report for HB 625.

Creating Assets, Savings and Hope