



50 Harry S. Truman Parkway • Annapolis, MD 21401
Office: 410-841-5772 • Fax: 410-841-5987 • TTY: 800-735-2258
Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov
Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
House Bill 1270- Maryland Real Property Transfer-on-Death (TOD) Act
House Judiciary Committee
March 09, 2022

The Rural Maryland Council supports House Bill 1270 Maryland Real Property Transfer-on-Death (TOD) Act. The bill intends to make it easier for families in Maryland to transfer their homes after they have passed. This will be done by allowing transfers of an individual's homes after they pass without the need for a probate, but instead through a transfer on death deed. This will benefit all Marylanders, but more specifically those of lower income and in underserved areas of the State.

It is much more common in underserved areas of Maryland, such as in rural communities, for a family member to pass and not have a will addressing who their home will go to after their death. This is because the creation of a will is expensive and these low income families do not have the finances or resources to create a will. Without the proper transfer of a multi-person home, families can become misplaced or even homeless. Once the family member does pass, the family also does not have the finances or resources to have the property transferred over to the new owner. They are also already spending money on funeral expenses and other associated costs of a family members death. The transfer on death deed is a much simpler process that does not require lawyers or large fees for someone to name a beneficiary of their property after their passing. Non-probate transfers are already applicable to other property in Maryland, such as vehicles and bank accounts. Many other states already allow transfer on death deeds for their residents. These states include some of those that border Maryland, including Virginia, D.C, and West Virginia,

The lack of a will or deed also results in what is considered heir's property. Heirs' property is land that has been inherited from a family member without a deed or documentation of ownership and can be passed down for generations, resulting in no clear owner or owners of the property. Families that own heirs' property are commonly minority and poorer families. This is because marginalized people historically have less access to certain resources, such as deeds to property or a will, that would have properly transferred ownership to the new owners. Heirs' property is an issue across the entire State. An article published by the Federal Reserve Bank of Richmond, *Whose Land Is It? Heirs' Property and Its Role in Generational Land Retention*, states Maryland's large black population and rural areas like parts of Appalachia and the Eastern Shore are indicators of increased likelihood of heirs' property, and that more urban areas such as Baltimore County also have higher rates of heirs' property. The Article also states the areas of Maryland with the greatest concentration of heirs' property are the eastern shore, Baltimore County, and Garrett County.

The Rural Maryland Council respectfully requests your favorable support of House Bill 1270.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

"A Collective Voice for Rural Maryland"