



Comments of the Michigan Poverty Law Program supporting HB 4924

Thank you, Chair Breen and members of the House Judiciary Committee, for the opportunity to comment on HB 4924. The Michigan Poverty Law Program supports this bill. Its enactment would make it easier for family members who inherit real property to keep that property in the family and preserve family wealth.

In the absence of a will or other estate planning device (a common scenario for the lower income families), the death of a homestead property owner typically sees that property passing to heirs as tenants in common, a form of co-ownership (a tenant in common owns a "fractional" share in the entire property).

In a situation where a property is inherited by several family members, it can only take one of them (a lone tenant in common) interested in cashing out their newly acquired interest/share in the property (or an investor or developer who acquires that interest) to force a partition sale of the property. Following a partition sale of the property, which often occurs under distress sale conditions, each tenant in common does get a payout, but the family loses the property.

The Uniform Partition of Heirs Property Act, which HB 4924 would create in Michigan (and which only applies to real property inherited as a tenancy in common), provides ways to help tenants in common who want to keep a property in the family avert or at least delay a forced partition sale. In doing so, it helps lower-income families, particularly Black and Latino ones, to preserve what is often the family's primary source of wealth – a homestead property. This Act will assist these families in securing and accumulating wealth generationally, and the financial security that accompanies it.

Thank you for your consideration of these comments and this bill. We urge you to report out HB 4924 with recommendation.