

## Article - Estates and Trusts

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§14–404.

(a) A person may create a trust by transferring property in writing to another person if the document transfers property in a legally recognized manner and:

- (1) Identifies the recipient of the property as the trustee;
- (2) Identifies the beneficiary of the trust; and
- (3) Identifies the property as being transferred under the Maryland Discretionary Trust Act.

(b) A person may create a trust by written declaration if the written declaration is executed in a legally recognized manner and:

- (1) Identifies the property to be held in trust;
- (2) Identifies the beneficiary of the trust;
- (3) Identifies the declarant as trustee and title holder; and
- (4) Identifies the property as being held in trust under the Maryland Discretionary Trust Act.

(c) A person having the right to transfer property upon a future event may create a trust upon the occurrence of the future event by:

- (1) Designating:
  - (i) The event;
  - (ii) The property;
  - (iii) The beneficiary; and
  - (iv) The trustee or mechanism for selecting the trustee; and
- (2) Creating the trust by:
  - (i) Making the designation in a will, a trust, a deed, an insurance policy, an instrument exercising a power of appointment, or a writing designating a beneficiary of contractual rights; or
  - (ii) Registering the designation with or delivering it to the fiduciary, payor, issuer, or obligor of the future right.

(d) A transferor creates a trust whenever the transferor registers property in the name of or transfers property to the trustee or declarant and uses in substance the following words after the trustee's or declarant's name: "As trustee for \_\_\_\_\_ (name of beneficiary) under the Maryland Discretionary Trust Act."

(e) The obligations of a trustee begin when the trustee accepts the trust property by writing in substance the following words:

"Trustee's Receipt and Acceptance

I, \_\_\_\_\_ (name of trustee) acknowledge receipt of the trust property described below or in the attached instrument and accept the trust as trustee for \_\_\_\_\_ (name of beneficiary) under the Maryland Discretionary Trust Act. I undertake to administer and distribute the trust property pursuant to the Maryland Discretionary Trust Act. The trust property consists of \_\_\_\_\_ (description of property).

Dated: \_\_\_\_\_

\_\_\_\_\_

(Signature of Trustee)"

(f) A trust may be created by specifying that property is to be held in trust under the Maryland Discretionary Trust Act.

(g) (1) A trust may be created under this subtitle if, at the time the trust is created, the transferor, the trustee, or the beneficiary is a resident of this State, the transferor's, the trustee's, or the beneficiary's principal place of business is in this State, or trust property is located in this State.

(2) The trust remains subject to this subtitle even upon a subsequent change in residence or principal place of business of the transferor or trustee, or removal of the trust property from this State.

(3) A registration, declaration, or transfer made under an act of another state substantially similar to this subtitle:

(i) Is governed by the law of that state; and

(ii) May be enforced in this State.

(h) (1) This subtitle may not limit other means of declaring trusts or transferring property in trust.

(2) A trust, the terms of which do not conform to this subtitle, may be enforceable according to its terms.

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