

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1336

(Delegate S. Howard, *et al.*)

Health and Government Operations

Judicial Proceedings

Estates and Trusts - Notice Requirement - Method of Delivery

This bill alters the notice requirements for probate matters by repealing the authorization for an orphans' court or a personal representative to elect to have the first notice of a probate matter sent by certified mail; instead, the bill authorizes the use of first-class mail for the first and subsequent notices.

Fiscal Summary

State Effect: General fund revenues and expenditures decrease significantly beginning in FY 2017 due to savings on postage for registers of wills. Overall, there is no net effect on State finances.

Local Effect: The bill may result in some cost savings for local registers of wills from the reduced staff resources needed to keep track of postage expenses and reimbursements from individual estates.

Small Business Effect: None.

Analysis

Current Law: Unless personal service or some other method of notice is expressly required, the first notice required to be given a person is sufficient if deposited as first-class mail, postage prepaid, addressed to the addressee at the address last known to the sender.

At the expense of the estate, the orphans' court may require or the personal representative may elect to have the first notice given by restricted delivery mail, postage prepaid, return receipt requested, addressed to the addressee at the address last known to the sender, with delivery restricted to the addressee.

A subsequent notice is sufficient if deposited as first-class mail, postage prepaid, addressed to the same address at which the first notice was received or, after notice in writing from the addressee of a change of address, to the new address.

If no return receipt is received apparently signed by the addressee, and there is no proof of actual notice, no action taken in a proceeding may prejudice the rights of the person entitled to notice unless proof is made by verified writing, as specified, that reasonable efforts were made to locate and notify the addressee, as specified.

State Fiscal Effect: The bill results in a significant decrease in general fund revenues, with a corresponding significant decrease in general fund expenditures, from the elimination of certified postage payments and reimbursement for expenses. Certified postage expenses fluctuate from year-to-year and cannot be reliably predicted. However, the Register of Wills for Howard County advises that statewide, registers of wills paid out and were reimbursed for about \$234,107 in certified postage expenses in fiscal 2015.

Probate fees and inheritance taxes collected by the registers of wills that are not used for salaries and expenses are deposited in the general fund. Registers are reimbursed from estates for postage costs. Under the bill, registers no longer pay and personal representatives no longer need to reimburse a register for certified postage. As a result, general fund revenues and expenditures decrease by the same amount, beginning in fiscal 2017.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Register of Wills, Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2016
min/kdm

Analysis by: Michelle Davis

Direct Inquiries to:
(410) 946-5510
(301) 970-5510