

## E90G Registers of Wills

### *Operating Budget Data*

(\$ in Thousands)

	<b>FY 04</b>	<b>FY 05</b>	<b>FY 06</b>	<b>FY 05-06</b>	<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
General Fund	<u>\$0</u>	<u>\$75</u>	<u>\$25</u>	<u>-\$50</u>	<u>-66.7%</u>
<b>Total Funds</b>	<b>\$0</b>	<b>\$75</b>	<b>\$25</b>	<b>-\$50</b>	<b>-66.7%</b>
Contingent & Back of Bill Reductions					
<b>Adjusted Total</b>	<b>\$0</b>	<b>\$75</b>	<b>\$25</b>	<b>-\$50</b>	<b>-66.7%</b>

- The fiscal 2006 allowance is \$50,000 less than the fiscal 2005 working appropriation because the Comptroller determined the Registers needed less funds based on fiscal 2004 actual expenditures.

Note: Numbers may not sum to total due to rounding.

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***Analysis in Brief***

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**Recommended Actions**

1. Adopt language to restrict the use of funds to be consistent with other State agencies.

## E90G Registers of Wills

### *Operating Budget Analysis*

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#### **Program Description**

In each jurisdiction, Registers of Wills (ROW) are responsible for the administration of estates by providing proper forms and direction, assisting, and advising any person who requests assistance in the preparation of a form for administrative probate, admitting wills to probate, issuing Letters of Administration, auditing accounts, and maintaining accurate records of all estate matters. Registers are not allowed to provide legal advice.

Registers take in revenues from inheritance taxes and processing fees. These revenues are used to pay the operating costs of the offices. Excess revenues are reverted to the general fund. Fiscal 2004 revenue and expense information for the ROW offices appears in **Appendix 4**. In the event that expenditures exceed revenues, the Comptroller can provide a deficiency supplement that is appropriated by the General Assembly or authorize the retention of additional inheritance taxes.

The Comptroller verifies the bond of the registers, sets salaries, approves procurements, audits receipts, and administers the State supplement. This budget reflects the Comptroller's estimate of funding needed to cover salaries and operating expenditures at the beginning of each fiscal year. Funds not used for this purpose are reverted to the general fund.

#### **Governor's Proposed Budget**

As shown in **Exhibit 1**, the Governor's fiscal 2006 allowance is \$25,000 in general funds – \$50,000 less than the fiscal 2004 appropriation or the fiscal 2005 working appropriation. Some individual ROWs experience temporary deficiencies at the beginning of each fiscal year before inheritance tax revenue is generated.

*E90G – Registers of Wills*

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**Exhibit 1**  
**Governor's Proposed Budget**  
**Registers of Wills**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Total</b>
2005 Working Appropriation	\$75	\$75
2006 Governor's Allowance	25	25
Contingent & Back of Bill Reductions	<u>0</u>	<u>0</u>
<b>Adjusted Allowance</b>	<b>25</b>	<b>25</b>
Amount Change	-\$50	-\$50
Percent Change	-66.7%	-66.7%

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While the State's general accounting system allows the account to run a deficit until revenues are received, the general fund appropriation for anticipated deficiencies insures that ROWs report to the General Assembly each year. **Exhibit 2** shows the expenditure history of ROWs.

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**Exhibit 2**  
**Registers of Wills Expenditure History**  
**Fiscal 1998 – 2004**

<b><u>Fiscal Year</u></b>	<b><u>Appropriation</u></b>	<b><u>Actual Expenditure</u></b>
2004	\$75,000	\$0
2003	75,000	10,000
2002	75,000	59,116
2001	75,000	18,539
2000	75,000	75,000
1999	75,000	75,000
1998	75,000	75,000

Source: Department of Legislative Services

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***E90G – Registers of Wills***

No county needed a deficiency to cover its expenses at the beginning of fiscal 2004. However, as shown in Appendix 4, ROW offices in 12 local jurisdictions could not meet their operating expenses from the inheritance tax revenues retained by their offices. Section 2-205 of the Estates and Trusts Article provides that if the fees and receipts of any ROW shall be insufficient in any year to pay all or any part of the authorized salaries and expenses of all ROWs, the deficiency shall be funded from the taxes remitted to the Comptroller of the Treasury by the register during that fiscal year. In the event that tax collections for the fiscal year are insufficient, the Comptroller shall make up the deficit from excess fees remitted from all other registers. In fiscal 2004 Garrett County (with expenses of \$240,594) and Somerset County (with expenses of \$219,193) exceeded total receipts from the inheritance tax and fees which were \$230,922 and \$76,881, respectively for each county in fiscal 2004.

## ***Recommended Actions***

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1. Add the following language:

Provided that no part of this appropriation, or State funds provided under §2-205 of the Estates and Trusts Article may be used:

- (1) to increase the compensation of employees of a Register of Wills in a manner not also authorized in this budget for State employees of the Executive Branch; or
- (2) to match employee contributions to a deferred compensation by an amount greater than that authorized in this budget.

**Explanation:** This action eliminates the State \$600 match for employee 401k contributions and requires the Registers of Wills to comply with any other compensation adjustments made to State employees.

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets Registers of Wills (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$75	\$0	\$0	\$0	\$75
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Cost Containment	0	0	0	0	0
Reversions and Cancellations	-75	0	0	0	-75
<b>Actual Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fiscal 2005</b>					
Legislative Appropriation	\$75	\$0	\$0	\$0	\$75
Budget Amendments	0	0	0	0	0
<b>Working Appropriation</b>	<b>\$75</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$75</b>

Note: Numbers may not sum to total due to rounding.

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## ***Audit Findings***

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Audit Period for Last Audit:	May 29, 2001 - August 1, 2004
Issue Date:	November 2004
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	

The Office of Legislative Audits (OLA) audits each of the jurisdictions separately. The summary presented here is of the most recent audit OLA conducted which was of Somerset County.

**Finding 1:** Delinquent accounts receivable were not presented to the Administrative Judge for resolution.

In 2004, OLA also released audit reports on Cecil County (May), Garrett County (July), Queen Anne’s County (February), Wicomico County (February), Worcester County (March), and Howard County (May) and reported no findings for any of these counties.

**Object/Fund Difference Report  
Registers of Wills**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
<b>Objects</b>					
12 Grants, Subsidies, and Contributions	\$ 0	\$ 75,000	\$ 25,000	-\$ 50,000	-66.7%
<b>Total Objects</b>	<b>\$ 0</b>	<b>\$ 75,000</b>	<b>\$ 25,000</b>	<b>-\$ 50,000</b>	<b>-66.7%</b>
<b>Funds</b>					
01 General Fund	\$ 0	\$ 75,000	\$ 25,000	-\$ 50,000	-66.7%
<b>Total Funds</b>	<b>\$ 0</b>	<b>\$ 75,000</b>	<b>\$ 25,000</b>	<b>-\$ 50,000</b>	<b>-66.7%</b>

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**State of Maryland Revenues and Expenses for Registers of Wills  
Fiscal 2004**

<b>Register of Wills</b>	<b>FY 2004 Total Receipts</b>	<b>FY 2004 Tax Remitted to General Fund</b>	<b>Revenues Retained by Register</b>	<b>Total Operating Expenses</b>	<b>Excess Fees of Office</b>
County:					
Allegany	\$1,298,641	\$899,515	\$399,126	\$389,967	\$9,159
Anne Arundel	5,062,338	3,392,431	1,669,907	1,176,026	493,881
Baltimore	13,363,689	9,121,747	4,241,942	2,054,366	2,187,576
Calvert	441,095	256,696	184,399	365,571	-181,171
Caroline	510,794	354,865	155,928	240,120	-84,192
Carroll	2,501,981	1,663,478	838,503	319,100	519,403
Cecil	931,083	629,765	301,318	366,311	-64,993
Charles	705,610	453,172	252,437	433,854	-181,417
Dorchester	554,807	374,158	180,650	244,634	-63,984
Frederick	2,707,884	1,863,725	844,159	504,104	340,055
Garrett	230,922	152,326	78,597	240,594	-161,998
Harford	1,928,948	1,305,119	623,829	413,626	210,203
Howard	2,124,106	1,432,511	691,595	460,386	231,209
Kent	466,454	312,036	154,418	209,957	-55,539
Montgomery	11,486,988	7,682,263	3,804,725	2,311,498	1,493,227
Prince George's	4,953,807	3,293,270	1,660,537	1,611,029	49,508
Queen Anne's	581,668	378,870	202,799	313,949	-111,151
St. Mary's	705,216	468,763	236,453	343,081	-106,628
Somerset	76,881	37,506	39,374	219,193	-179,819
Talbot	1,706,099	1,201,465	504,634	352,715	151,919
Washington	1,547,271	1,032,224	515,047	407,092	107,955
Wicomico	759,476	492,789	266,687	319,673	-52,985
Worcester	723,476	478,601	244,875	277,678	-32,803
Baltimore City	8,817,675	6,225,712	2,591,963	1,736,020	855,943
<b>Totals</b>	<b>\$64,186,910</b>	<b>\$43,503,009</b>	<b>\$20,683,902</b>	<b>\$15,310,543</b>	<b>\$5,373,359</b>