
By: Senator Frosh

Introduced and read first time: February 2, 1996

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Probate Reform Act**

3 FOR the purpose of authorizing a personal representative of a decedent's estate to serve
4 without continuing supervision by the court or register of wills under certain
5 circumstances; providing that a personal representative in unsupervised
6 administration is not required to file inventories, accounts, or petitions for
7 commissions or attorneys' fees otherwise required to be filed in a probate
8 proceeding; requiring a personal representative in unsupervised administration to
9 provide each interested person inventories and accounts on request; requiring a
10 personal representative in unsupervised administration to provide each interested
11 person a copy of each application to pay inheritance tax filed; requiring the register
12 of wills to include with the notice of appointment forwarded to each heir and
13 legatee certain information regarding administration of estates; providing that the
14 value of any real property included in an estate may be established by using the
15 assessed value of the property for property tax purposes, subject to the right of any
16 interested person to require an independent appraisal of the real property;
17 providing that in unsupervised administration certain payments are not subject to
18 court review and approval except under certain circumstances; authorizing a
19 personal representative in unsupervised administration to close the estate and
20 terminate the appointment in a certain manner; defining certain terms; providing
21 that for inheritance tax purposes the value of property that passes from a decedent
22 is the value at the date of the decedent's death; requiring a person required to pay
23 inheritance tax to file an application to pay inheritance tax with the register and pay
24 the inheritance tax within a certain time after the decedent's death, with certain
25 exceptions; requiring the Comptroller to design an application to pay inheritance
26 tax; requiring a personal representative who files an application to pay inheritance
27 tax to provide a copy to any interested person in the probate proceeding on request;
28 providing an addition modification under the income tax for certain expenses
29 claimed as a deduction for inheritance tax purposes; providing that any information
30 in an application to pay inheritance tax or an inheritance tax information report is
31 tax information subject to certain confidentiality requirements; providing for the
32 application of this Act; and generally relating to the inheritance tax and
33 authorization for certain personal representatives to serve without continuing
34 supervision by the court or register of wills under certain circumstances.

35 BY repealing and reenacting, without amendments,

2

1 Article - Estates and Trusts
2 Section 1-101(h)
3 Annotated Code of Maryland
4 (1991 Replacement Volume and 1995 Supplement)

5 BY adding to

6 Article - Estates and Trusts
7 Section 1-101(u-1), 2-206(b)(5), 2-211(c-1), 7-106, 7-202(e), 7-502(d), 7-601(e),
8 7-602(d), and 10-101.1
9 Annotated Code of Maryland
10 (1991 Replacement Volume and 1995 Supplement)

11 BY repealing and reenacting, with amendments,

12 Article - Estates and Trusts
13 Section 2-210, 5-203, 5-206, 7-101(b), 7-201, 7-203, 7-301, 7-307(a), and
14 10-103(a)
15 Annotated Code of Maryland
16 (1991 Replacement Volume and 1995 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article - Tax - General
19 Section 2-104(a), 7-204(a), 7-207, 7-210(b) and (c), 7-214, 7-219(a), 7-225,
20 13-201, 13-601(b) and (c), 13-701, and 13-806(b)(1)
21 Annotated Code of Maryland
22 (1988 Volume and 1995 Supplement)

23 BY repealing

24 Article - Tax - General
25 Section 7-215 and 7-217
26 Annotated Code of Maryland
27 (1988 Volume and 1995 Supplement)

28 BY adding to

29 Article - Tax - General
30 Section 7-215 and 10-205(h)
31 Annotated Code of Maryland
32 (1988 Volume and 1995 Supplement)

33 BY repealing and reenacting, without amendments,

34 Article - Tax - General
35 Section 10-205(a) and 13-601(a)
36 Annotated Code of Maryland
37 (1988 Volume and 1995 Supplement)

3

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Estates and Trusts**

4 1-101.

5 (h) "Interested person" is:

6 (1) A person named as executor in a will;

7 (2) A person serving as personal representative after judicial or
8 administrative probate;

9 (3) A legatee in being, not fully paid, whether his interest is vested or
10 contingent;

11 (4) An heir even if the decedent dies testate, except that an heir of a testate
12 decedent ceases to be an "interested person" when the register has given notice pursuant
13 to § 2-210 or § 5-403(a).

14 Interested person includes a person as above defined who is (a) a minor or other
15 person under a disability, or (b) the judicially appointed guardian, committee, conservator
16 or trustee for such person, if any, and if none, then the parent or other person having
17 assumed responsibility for such person.

18 An heir or legatee whose interest is contingent solely on whether some other heir or
19 legatee survives the decedent by a stated period is an interested person but only after the
20 other heir or legatee has died within that period.

21 (U-1) "UNSUPERVISED ADMINISTRATION" MEANS THE ADMINISTRATION OF A
22 DECEDENT'S ESTATE UNDER THIS ARTICLE AS AUTHORIZED UNDER § 7-106 OF THIS
23 ARTICLE.

24 2-206.

25 (b) (5) NOTWITHSTANDING PARAGRAPHS (3) AND (4) OF THIS SUBSECTION,
26 IN UNSUPERVISED ADMINISTRATION:

27 (I) THE VALUE OF THE PROBATE ESTATE IS THE SUM OF THE
28 VALUE OF ALL THE PROBATE ASSETS AT THE DATE OF DEATH, BEFORE THE
29 DEDUCTION OF ANY EXPENSES, AS REFLECTED IN THE APPLICATION TO PAY
30 INHERITANCE TAX FILED WITH THE REGISTER UNDER TITLE 7, SUBTITLE 2 OF THE
31 TAX - GENERAL ARTICLE; AND

32 (II) THE REGISTER SHALL ASSESS AND COLLECT THE PROBATE
33 FEE WHEN THE APPLICATION TO PAY INHERITANCE TAX IS FILED.

34 2-210.

35 (A) Within five days after receiving the text of the first published newspaper
36 notice as provided in § 7-103 and the written notice from the personal representative of
37 the names and addresses of the heirs and legatees as provided in § 7-104, the register
38 shall forward to each such person a copy of the newspaper notice published according to

4

1 § 7-104, in the manner prescribed in § 1-103 (a), directed according to the information
2 received from the personal representative.

3 (B) THE REGISTER SHALL INCLUDE WITH THE NOTICE FORWARDED UNDER
4 SUBSECTION (A) OF THIS SECTION TO EACH HEIR AND LEGATEE IDENTIFIED BY THE
5 PERSONAL REPRESENTATIVE UNDER § 7-104 OF THIS ARTICLE THE FOLLOWING
6 GENERAL INFORMATION IN A FORM DEVELOPED BY THE ATTORNEY GENERAL IN
7 COOPERATION WITH THE REGISTERS:

8 (1) THE TYPICAL DUTIES OF A PERSONAL REPRESENTATIVE IN ESTATE
9 ADMINISTRATION, INCLUDING A DESCRIPTION OF ESSENTIAL STEPS OF ESTATE
10 ADMINISTRATION, WHETHER THE PERSONAL REPRESENTATIVE IS SUBJECT TO
11 CONTINUING COURT SUPERVISION OR SERVES IN UNSUPERVISED ADMINISTRATION
12 UNDER § 7-106 OF THIS ARTICLE;

13 (2) HOW FEES FOR ESTATE ADMINISTRATION ARE DETERMINED;

14 (3) THE RIGHTS OF HEIRS OR LEGATEES, WHETHER THE PERSONAL
15 REPRESENTATIVE IS SUBJECT TO CONTINUING COURT SUPERVISION OR SERVES IN
16 UNSUPERVISED ADMINISTRATION; AND

17 (4) IF THE PERSONAL REPRESENTATIVE IS NOT SUBJECT TO
18 CONTINUING SUPERVISION BY THE COURT AND THE REGISTER OF WILLS, THE
19 RIGHT OF ANY INTERESTED PERSON TO:

20 (I) REQUEST CONTINUING SUPERVISION BY THE COURT AND THE
21 REGISTER OF WILLS; AND

22 (II) WITHOUT SEEKING SUPERVISED ADMINISTRATION, TO SEEK
23 COURT RESOLUTION OF ANY MATTER ARISING IN THE COURSE OF UNSUPERVISED
24 ADMINISTRATION.

25 2-211.

26 (C-1) IN UNSUPERVISED ADMINISTRATION, IF NO OBJECTIONS TO THE CLOSING
27 OF THE ESTATE HAVE BEEN FILED WITHIN 60 DAYS AFTER THE NOTICE OF INTENT
28 TO CLOSE THE ESTATE HAS BEEN SENT UNDER § 10-101.1 OF THIS ARTICLE OR IF
29 INTERESTED PERSONS HAVE WAIVED THE RIGHT TO OBJECT, THE CERTIFICATE OF
30 COMPLETION SHALL BE RECORDED BY THE REGISTER IN THE ADMINISTRATION
31 PROCEEDINGS RECORD BOOK AND INDEXED UNDER THE NAME OF THE DECEDENT.

32 5-203.

33 (A) The petition shall indicate whether the petitioner elects administrative or
34 judicial probate.

35 (B) THE PETITION MAY INCLUDE A REQUEST FOR UNSUPERVISED
36 ADMINISTRATION IF THE REQUIREMENTS OF § 7-106 OF THIS ARTICLE ARE MET.

37 5-206.

38 In a proceeding for administrative or judicial probate the petition for probate shall
39 be in substantially the following form:
40 In the Matter of

5

1
2 Deceased
3 Before the Register of Wills for
4

5 PETITION FOR PROBATE

6 The Petition of shows:

7 1., the decedent, who resided at inCounty, State of
8 died at on

9 2. The decedent died (with) (without) a will.

10 3. Petitioner is entitled to be appointed personal representative TO SERVE IN
11 (UNSUPERVISED) (SUPERVISED) ADMINISTRATION of the decedent's estate under §
12 5-104 of the Estates and Trusts Article of the Maryland Code for the following reasons:

13
14

15 (IF PETITION INCLUDES A REQUEST FOR UNSUPERVISED ADMINISTRATION,
16 INCLUDE BASIS OF AUTHORIZATION FOR UNSUPERVISED ADMINISTRATION)

17 4. This is the proper office in which to file the Petition because:

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19

20 5. The Petitioner has made a diligent search for a will of the decedent and, to the
21 best of the knowledge of the Petitioner, (the will accompanying this Petition dated
22 is the decedent's latest will, and said will came into Petitioner's hands in the
23 following manner) (none exists):

24
25

26 6. If the decedent died with a will, the names and addresses of all witnesses are:

27
28

29 7. All other proceedings regarding the decedent's estate are as follows:

30
31

32 8. The reason why any information required to be furnished by §§ 5-201 and
33 5-202 of the Estates and Trusts Article has not been furnished, is as follows:

34
35

36 WHEREFORE, the Petitioner prays that he be granted letters appointing him
37 personal representative TO SERVE IN (UNSUPERVISED) (SUPERVISED)
38 ADMINISTRATION of the decedent's estate and that the will, if any, be admitted to
39 (administrative) (judicial) probate, and that the following additional relief be granted:

1 I (we) do hereby solemnly declare and affirm under the penalties of perjury that the
2 information and representations contained in the Petition are true and correct according
3 to my (our) knowledge, information, and belief.

4
5 (Signature)

6 7-101.

7 (b) Unless the time of distribution is extended by order of court for good cause
8 shown, the personal representative shall distribute all the assets of the estate of which he
9 has taken possession or control within [the time provided in § 7-305 for rendering his
10 first account] 9 MONTHS FROM THE DATE OF THE APPOINTMENT OF THE PERSONAL
11 REPRESENTATIVE.

12 7-106.

13 (A) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THERE SHALL BE
14 UNSUPERVISED ADMINISTRATION OF AN ESTATE AS PROVIDED UNDER THIS
15 SECTION TO THE EXTENT SPECIFICALLY AUTHORIZED:

16 (1) BY THE WILL OF A TESTATE DECEDENT; OR

17 (2) UNLESS THE WILL EXPRESSLY PROHIBITS UNSUPERVISED
18 ADMINISTRATION, BY WRITTEN AUTHORIZATIONS SIGNED BY ALL INTERESTED
19 PERSONS, NOT INCLUDING HEIRS OF A TESTATE DECEDENT.

20 (B) (1) A STATEMENT IN A WILL THAT THE PERSONAL REPRESENTATIVE
21 MAY ACT WITHOUT APPLICATION TO ANY COURT SHALL BE CONSTRUED TO
22 AUTHORIZE THE PERSONAL REPRESENTATIVE TO SERVE IN UNSUPERVISED
23 ADMINISTRATION UNDER THIS SECTION.

24 (2) A WRITTEN AUTHORIZATION BY AN INTERESTED PERSON UNDER
25 SUBSECTION (A)(2) OF THIS SECTION SHALL BE IN THE FORM DEVELOPED BY THE
26 ATTORNEY GENERAL IN COOPERATION WITH THE REGISTERS AND SHALL INCLUDE:

27 (I) AN ACKNOWLEDGMENT THAT IN UNSUPERVISED
28 ADMINISTRATION:

29 1. THE PERSONAL REPRESENTATIVE GENERALLY SERVES
30 WITHOUT CONTINUING SUPERVISION BY THE COURT OR THE REGISTER OF WILLS;

31 2. INVENTORIES AND ACCOUNTS WILL NOT BE FILED WITH
32 OR SUBJECT TO THE REVIEW OR APPROVAL OF THE COURT OR THE REGISTER OF
33 WILLS;

34 3. THE PERSONAL REPRESENTATIVE IS REQUIRED TO
35 PROVIDE INVENTORIES AND ACCOUNTS TO THE INTERESTED PERSON ONLY IF
36 REQUESTED BY THE INTERESTED PERSON; AND

37 4. THE REASONABLENESS OF COMPENSATION TO THE
38 PERSONAL REPRESENTATIVE AND TO AN ATTORNEY OR OTHER AGENTS EMPLOYED
39 BY THE PERSONAL REPRESENTATIVE IS NOT SUBJECT TO THE REVIEW OR
40 APPROVAL OF THE COURT OR THE REGISTER OF WILLS; AND

7

1 (II) A STATEMENT THAT THE INTERESTED PERSON IS AWARE OF
2 THE INTERESTED PERSON'S RIGHT AT ANY TIME DURING THE ADMINISTRATION OF
3 THE ESTATE:

4 1. TO REQUIRE SUPERVISED ADMINISTRATION, UNDER
5 WHICH INVENTORIES AND ACCOUNTS AND THE REASONABLENESS OF
6 COMPENSATION TO THE PERSONAL REPRESENTATIVE AND TO ANY ATTORNEY OR
7 OTHER AGENT ARE SUBJECT TO REVIEW AND APPROVAL BY THE COURT; OR

8 2. WITHOUT DEMANDING SUPERVISED ADMINISTRATION,
9 TO REQUEST THE COURT TO REVIEW AND RESOLVE ANY QUESTION OR
10 CONTROVERSY ARISING DURING THE COURSE OF THE UNSUPERVISED
11 ADMINISTRATION, INCLUDING THE REASONABLENESS OF ANY COMPENSATION
12 PAID TO THE PERSONAL REPRESENTATIVES OR ANY ATTORNEY OR OTHER AGENT.

13 (C) THE WRITTEN AUTHORIZATIONS OF INTERESTED PERSONS UNDER
14 SUBSECTION (A)(2) OF THIS SECTION:

15 (1) SHALL BE FILED WITH THE PETITION FOR PROBATE; OR

16 (2) MAY BE FILED AT ANY TIME BEFORE THE ESTATE IS CLOSED,
17 INCLUDING AFTER THE REVOCATION OF A PREVIOUSLY AUTHORIZED
18 UNSUPERVISED ADMINISTRATION.

19 (D) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE AND SUBJECT
20 TO PARAGRAPH (2) OF THIS SUBSECTION, IN UNSUPERVISED ADMINISTRATION THE
21 PERSONAL REPRESENTATIVE:

22 (I) IS NOT REQUIRED TO FILE WITH THE COURT OR REGISTER
23 THE INVENTORIES, APPRAISALS, ACCOUNTS, PETITIONS FOR THE PERSONAL
24 REPRESENTATIVE'S COMMISSIONS OR FOR AN ATTORNEY'S FEE, OR NOTICE WITH
25 RESPECT TO THE PERSONAL REPRESENTATIVE'S COMMISSIONS OR AN ATTORNEY'S
26 FEE OTHERWISE REQUIRED TO BE FILED UNDER THIS TITLE; AND

27 (II) IS NOT SUBJECT TO CONTINUING SUPERVISION BY THE COURT
28 OR REGISTER OF WILLS.

29 (2) (I) A PERSONAL REPRESENTATIVE SHALL PROVIDE TO EACH
30 INTERESTED PERSON A COPY OF EACH APPLICATION TO PAY INHERITANCE TAX
31 FILED BY THE PERSONAL REPRESENTATIVE UNDER TITLE 7, SUBTITLE 2 OF THE TAX
32 - GENERAL ARTICLE.

33 (II) ON THE REQUEST OF ANY INTERESTED PERSON, A PERSONAL
34 REPRESENTATIVE IN UNSUPERVISED ADMINISTRATION SHALL MAIL OR DELIVER
35 TO THE INTERESTED PERSON A COPY OF EACH INVENTORY, APPRAISAL, OR
36 ACCOUNT OTHERWISE REQUIRED TO BE FILED UNDER THIS TITLE.

37 (E) (1) AT ANY TIME BEFORE AN ESTATE UNDER UNSUPERVISED
38 ADMINISTRATION IS CLOSED:

39 (I) AT THE WRITTEN REQUEST OF ANY INTERESTED PERSON, THE
40 COURT SHALL REVIEW AND RESOLVE ANY MATTER CONCERNING THE ESTATE OR
41 ITS ADMINISTRATION; OR

8

1 (II) AT THE WRITTEN REQUEST OF ANY INTERESTED PERSON,
2 WITH OR WITHOUT CAUSE, THE AUTHORIZATION FOR UNSUPERVISED
3 ADMINISTRATION SHALL BE REVOKED AND CONTINUING SUPERVISION BY THE
4 COURT AND REGISTER OF WILLS AS OTHERWISE PROVIDED IN THIS ARTICLE SHALL
5 BE IMPOSED ON THE ADMINISTRATION OF THE ESTATE.

6 (2) (I) IF AUTHORIZATION FOR UNSUPERVISED ADMINISTRATION IS
7 REVOKED UNDER THIS SUBSECTION, THE CHANGE TO SUPERVISED
8 ADMINISTRATION SHALL BE PROSPECTIVE ONLY.

9 (II) IF AUTHORIZATION FOR UNSUPERVISED ADMINISTRATION IS
10 REVOKED, THE PERSONAL REPRESENTATIVE SHALL FILE ALL INVENTORIES,
11 APPRAISALS, ACCOUNTS, AND PETITIONS OTHERWISE REQUIRED UNDER THIS
12 ARTICLE FOR THE ADMINISTRATION OF AN ESTATE, ON OR BEFORE THE LATER OF:

- 13 1. 60 DAYS AFTER NOTICE OF THE REVOCATION; OR
14 2. THE DATE OTHERWISE REQUIRED UNDER THIS ARTICLE.

15 (III) EXCEPT IN THE CASE OF FRAUD, AN ACTION OF THE
16 PERSONAL REPRESENTATIVE BEFORE THE REVOCATION MAY NOT BE SET ASIDE BY
17 THE COURT SOLELY BECAUSE OF THE CHANGE TO SUPERVISED ADMINISTRATION.

18 7-201.

19 (A) Subject to the provisions of § 7-205, [and] OF THIS SUBTITLE ANDEXCEPT
20 AS PROVIDED IN § 7-106 OF THIS TITLE, within three months after his appointment, a
21 personal representative shall prepare and file an inventory of property owned by the
22 decedent at the time of his death, listing each item in reasonably descriptive detail, and
23 indicating its fair market value as of the date of the death of the decedent, and the type
24 and amount of any encumbrance that may exist with reference to the item.

25 (B) The inventory shall include:

26 (1) Real property;

27 (2) Tangible personal property, excluding [(a) wearing]:

28 (I) WEARING apparel, other than furs and jewelry [and (b)
29 provisions]; AND

30 (II) PROVISIONS for consumption by the family;

31 (3) Corporate stocks;

32 (4) Debts owed to the decedent, including bonds and notes;

33 (5) Bank accounts, building, savings and loan association shares, and money;

34 (6) Debts owed to the decedent by the personal representative; and

35 (7) Any other interest in tangible or intangible property owned by the
36 decedent which passes by testate or intestate succession.

9

1 7-202.

2 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE VALUE OF
3 ANY REAL PROPERTY LISTED IN THE INVENTORY MAY BE ESTABLISHED BY USING
4 THE FULL ASSESSED VALUE DETERMINED IN THE MOST RECENT VALUATION OF
5 THE PROPERTY FOR PROPERTY TAX PURPOSES.

6 (2) AT THE REQUEST OF ANY INTERESTED PERSON, THE PERSONAL
7 REPRESENTATIVE SHALL SECURE AN INDEPENDENT APPRAISAL OF ANY ITEM OF
8 REAL PROPERTY LISTED IN THE INVENTORY.

9 7-203.

10 [Whenever] EXCEPT AS PROVIDED IN § 7-106 OF THIS TITLE, WHENEVER
11 property not included in the original inventory comes to the knowledge of a personal
12 representative, or whenever the personal representative learns that the value indicated in
13 the original inventory for an item [is] WAS erroneous or misleading, he shall make a
14 supplemental inventory or appraisal of the item showing the market value as of the date
15 of the death of the decedent[, or the revised market value,] and the appraisals or other
16 data relied upon and shall file it with the court.

17 7-301.

18 [A] EXCEPT AS PROVIDED IN § 7-106 OF THIS TITLE, A personal representative
19 shall file written accounts of his management and distribution of property at the times
20 and in the manner prescribed in this subtitle, with a certification that he has mailed or
21 delivered a notice of the filing to all interested persons.

22 7-307.

23 (a) Inheritance taxes [with respect to a distribution] shall be paid by the personal
24 representative to the register. [An inheritance tax due in connection with a legacy or
25 intestate share shall be paid at the time of accounting for its distribution.] Failure to pay
26 the inheritance tax when due or to make full disclosure of the information necessary to
27 the determination by the register of the tax due may subject a personal representative to
28 reduction or forfeiture of commissions by the court unless good cause to the contrary is
29 shown. Failure to pay the inheritance tax when due subjects the bond of the personal
30 representative to liability.

31 7-502.

32 (D) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) THROUGH (C)
33 OF THIS SECTION, IN UNSUPERVISED ADMINISTRATION:

34 (1) THE PERSONAL REPRESENTATIVE SHALL GIVE THE WRITTEN
35 NOTICE REQUIRED UNDER SUBSECTION (A) OF THIS SECTION; BUT

36 (2) UNLESS A REQUEST FOR COURT REVIEW OF A PROPOSED PAYMENT
37 IS MADE WITHIN 20 DAYS AFTER THE NOTICE IS SENT, A PROPOSED PAYMENT
38 UNDER THIS SECTION IS NOT SUBJECT TO THE COURT'S REVIEW OR APPROVAL.

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1 7-601.

2 (E) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) THROUGH (D)
3 OF THIS SECTION, EXCEPT AS PROVIDED IN § 7-502 OF THIS TITLE, IN UNSUPERVISED
4 ADMINISTRATION A PROPOSED PAYMENT UNDER THIS SECTION IS NOT SUBJECT TO
5 THE COURT'S REVIEW OR APPROVAL.

6 7-602.

7 (D) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) THROUGH (C)
8 OF THIS SECTION, EXCEPT AS PROVIDED IN § 7-502 OF THIS TITLE, IN UNSUPERVISED
9 ADMINISTRATION A PROPOSED PAYMENT UNDER THIS SECTION IS NOT SUBJECT TO
10 THE COURT'S REVIEW OR APPROVAL.

11 10-101.1.

12 (A) (1) IN UNSUPERVISED ADMINISTRATION, AT ANY TIME AFTER THE
13 TIME HAS PASSED FOR PRESENTING CLAIMS THAT AROSE BEFORE THE DEATH OF
14 THE DECEDENT, A PERSONAL REPRESENTATIVE MAY CLOSE THE ESTATE BY:

15 (I) SENDING EACH INTERESTED PERSON A NOTICE OF INTENT TO
16 CLOSE THE ESTATE AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION; AND

17 (II) FILING WITH THE COURT A VERIFIED CERTIFICATE OF
18 COMPLETION AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

19 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
20 PARAGRAPH, THE CERTIFICATE OF COMPLETION MAY NOT BE FILED UNTIL
21 EARLIER THAN 60 DAYS AFTER THE NOTICE OF INTENT TO CLOSE HAS BEEN SENT
22 TO EACH INTERESTED PERSON.

23 (II) IF ALL INTERESTED PERSONS HAVE WAIVED IN WRITING THE
24 RIGHT TO OBJECT, THE CERTIFICATE OF COMPLETION MAY BE FILED AT ANY TIME
25 AFTER THE NOTICE OF INTENT TO CLOSE HAS BEEN SENT TO EACH INTERESTED
26 PERSON.

27 (B) THE NOTICE OF INTENT TO CLOSE THE ESTATE SHALL INCLUDE A
28 STATEMENT THAT:

29 (1) THE PERSONAL REPRESENTATIVE INTENDS TO CLOSE THE ESTATE;

30 (2) THE INTERESTED PERSON HAS THE RIGHT TO REQUEST AN
31 ACCOUNTING; AND

32 (3) ALL CLAIMS OF THE INTERESTED PERSON AGAINST THE PERSONAL
33 REPRESENTATIVE WILL BE BARRED UNLESS THE INTERESTED PERSON OBJECTS IN
34 WRITING WITHIN 60 DAYS AFTER THE NOTICE WAS SENT, WHETHER OR NOT THE
35 INTERESTED PERSON HAS REQUESTED A COPY OF AN ACCOUNTING.

36 (C) THE CERTIFICATE OF COMPLETION SHALL INCLUDE A STATEMENT THAT:

37 (1) THE TIME LIMIT FOR PRESENTATION OF CREDITORS' CLAIMS HAS
38 EXPIRED;

11

1 (2) THE PERSONAL REPRESENTATIVE HAS SENT TO EACH INTERESTED
2 PERSON A COPY OF EACH APPLICATION TO PAY INHERITANCE TAX FILED WITH THE
3 REGISTER UNDER TITLE 7, SUBTITLE 2 OF THE TAX - GENERAL ARTICLE;

4 (3) THE PERSONAL REPRESENTATIVE HAS SENT TO EACH INTERESTED
5 PERSON A NOTICE OF INTENT TO CLOSE THE ESTATE;

6 (4) NO OBJECTIONS TO THE CLOSING OF THE ESTATE HAVE BEEN
7 RECEIVED;

8 (5) A PERIOD OF 60 DAYS HAS ELAPSED AFTER THE NOTICE OF INTENT
9 TO CLOSE WAS SENT TO EACH INTERESTED PERSON OR ALL INTERESTED PERSONS
10 HAVE WAIVED IN WRITING THE RIGHT TO OBJECT TO THE CLOSING OF THE ESTATE;

11 (6) EACH INTERESTED PERSON WHO HAS REQUESTED AN ACCOUNTING
12 HAS BEEN SENT A COPY OF AN ACCOUNT AND HAS CONSENTED IN WRITING TO THE
13 ACCOUNT AS STATED;

14 (7) EXCEPT AS SPECIFIED IN THE STATEMENT, THE PERSONAL
15 REPRESENTATIVE HAS FULLY ADMINISTERED THE ESTATE BY MAKING PAYMENT,
16 SETTLEMENT, OR OTHER DISPOSITION OF ALL CLAIMS THAT WERE PRESENTED,
17 EXPENSES OF ADMINISTRATION, AND ESTATE, INHERITANCE, AND OTHER DEATH
18 TAXES;

19 (8) THE ASSETS OF THE ESTATE HAVE BEEN DISTRIBUTED TO THE
20 PERSONS ENTITLED; AND

21 (9) THE PERSONAL REPRESENTATIVE HAS SENT A COPY OF THE
22 CERTIFICATE OF COMPLETION TO ALL INTERESTED PERSONS AND TO ALL
23 CREDITORS OR OTHER CLAIMANTS OF WHOM THE PERSONAL REPRESENTATIVE IS
24 AWARE WHOSE CLAIMS ARE NEITHER PAID NOR BARRED.

25 (D) THE CERTIFICATE OF COMPLETION SHALL ALSO CONTAIN A LIST OF THE
26 NAMES AND ADDRESSES OF ALL RECIPIENTS OF THE CERTIFICATE.

27 (E) IF ANY CLAIMS REMAIN UNDISCHARGED, THE CERTIFICATE SHALL
28 STATE :

29 (1) WHETHER THE PERSONAL REPRESENTATIVE HAS DISTRIBUTED THE
30 ESTATE SUBJECT TO POSSIBLE LIABILITY WITH THE AGREEMENT OF THE
31 DISTRIBUTEES; OR

32 (2) IN DETAIL WHAT OTHER ARRANGEMENTS HAVE BEEN MADE TO
33 ACCOMMODATE OUTSTANDING LIABILITIES.

34 (F) ANY INTERESTED PERSON MAY OBJECT TO THE CLOSING OF THE ESTATE
35 BY MAILING OR DELIVERING TO THE PERSONAL REPRESENTATIVE OR COURT,
36 WITHIN 60 DAYS AFTER THE NOTICE OF INTENT TO CLOSE THE ESTATE WAS SENT, A
37 WRITTEN OBJECTION AND THE GROUNDS FOR THE OBJECTION.

38 (G) THE NOTICE OF INTENT TO CLOSE THE ESTATE AND THE CERTIFICATE OF
39 COMPLETION SHALL BE IN THE FORM DEVELOPED BY THE ATTORNEY GENERAL IN
40 COOPERATION WITH THE REGISTERS.

12

1 (H) IF THE PERSONAL REPRESENTATIVE SO REQUESTS IN THE CERTIFICATE
2 OF COMPLETION, THE APPOINTMENT OF THE PERSONAL REPRESENTATIVE SHALL
3 BE TERMINATED WHEN THE ESTATE IS CLOSED.

4 10-103.

5 (a) If no action or proceeding involving the personal representative is pending
6 one year after the close of the estate pursuant to § 10-101 OR § 10-101.1 OF THIS
7 SUBTITLE, the personal representative shall be discharged from any claim or demand of
8 any interested person. The rights so barred do not include rights to recover from a
9 personal representative for fraud, material mistake, or substantial irregularity.

10 **Article - Tax - General**

11 2-104.

12 (a) (1) Subject to the requirements of § 2-110 of this subtitle and subsection (b)
13 of this section, the Comptroller shall design the returns and other forms that, on
14 completion, provide the information required for the administration of the tax laws listed
15 in § 2-102 of this subtitle.

16 (2) THE COMPTROLLER SHALL DESIGN AN APPLICATION TO PAY
17 INHERITANCE TAX.

18 7-204.

19 (a) (1) In this section[, "clear"] THE FOLLOWING WORDS HAVE THE
20 MEANINGS INDICATED.

21 (2) "CLEAR value" means fair market value minus expenses.

22 (3) "EXPENSES" MEANS:

23 (I) LIABILITIES ENCUMBERING THE PROPERTY AS OF THE DATE
24 OF THE DECEDENT'S DEATH; AND

25 (II) ALL TAXES, ADMINISTRATION EXPENSES, FUNERAL AND
26 BURIAL COSTS, DEBTS, PERSONAL REPRESENTATIVES' COMMISSIONS, TRUSTEES'
27 FEES, ATTORNEYS' FEES, OR OTHER SIMILAR EXPENSES DIRECTLY RELATING TO
28 THE ADMINISTRATION AND DISTRIBUTION OF THE PROPERTY AS A RESULT OF THE
29 DEATH OF THE DECEDENT, BUT ONLY TO THE EXTENT THOSE EXPENSES ARE
30 PAYABLE OUT OF THE PROPERTY.

31 7-207.

32 Except as provided in §§ 7-209 through 7-211 of this subtitle, the value of property
33 that passes from a decedent is, for purposes of the inheritance tax, the [appraised] FAIR
34 MARKET value of the property [required to be stated in the inventory required to be filed
35 under § 7-225 of this subtitle] AT THE DATE OF THE DECEDENT'S DEATH.

36 7-210.

37 (b) (1) If a subsequent interest in property ultimately vests in possession in a
38 person other than the person by or for whom an application to prepay the inheritance tax

13

1 was filed under § 7-219 of this subtitle and if the inheritance tax determined under the
2 prepayment application was paid [:

3 (i) the subsequent interest shall be revalued when it vests in
4 possession; and

5 (ii) the inheritance tax due on the subsequent interest shall be
6 redetermined based on [the value of the interest when it vests in possession and on] the
7 relationship of the original decedent to the person in whom the interest ultimately vests in
8 possession.

9 (2) A deduction from the inheritance tax calculated under paragraph
10 [(1)(ii)] (1) of this subsection for prepaid inheritance tax on the interest shall be allowed.

11 (c) (1) If an application to prepay the inheritance tax for a subsequent interest
12 is not filed in accordance with § 7-219 of this subtitle or if the inheritance tax determined
13 for the subsequent interest under a prepayment application is not paid when due under §
14 7-217(c) of this subtitle:

15 (i) the whole property shall be [valued] REVALUED when the
16 subsequent interest vests in possession;

17 [(ii) the value of the subsequent interest shall be valued when it vests in
18 possession in the manner stated in subsection (a) of this section;] and

19 [(iii)] (II) the inheritance tax due on the subsequent interest shall be
20 determined based on the value of the interest when it vests in possession and on the
21 relationship of the original decedent to the person in whom the interest ultimately vests in
22 possession.

23 (2) A deduction for inheritance tax previously paid on any interest in the
24 property may not be allowed.

25 7-214.

26 [(a)] The register [in the county where the court that administers an estate is
27 located] shall [determine] COLLECT the inheritance tax that is due on any interest in
28 property [included in the estate when the personal representative of the decedent
29 accounts for the distribution of the property]:

30 (1) WHEN THE PERSON REQUIRED TO PAY THE INHERITANCE TAX
31 FILES AN APPLICATION TO PAY INHERITANCE TAX THAT INCLUDES THAT
32 PROPERTY; OR

33 (2) IF AN APPLICATION TO PAY INHERITANCE TAX IS NOT FILED AS
34 REQUIRED UNDER § 7-215 OF THIS TITLE, WHEN PROPERTY FOR WHICH AN
35 APPLICATION SHOULD HAVE BEEN FILED COMES TO THE REGISTER'S ATTENTION.

36 [(b) If there is no formal administration of an estate, the register in the county
37 where the inventory required under § 7-225(c), (d), or (e) of this subtitle is to be filed
38 shall:

39 (1) determine the inheritance tax that is due on any interest in property that
40 passes from a decedent:

14

1 (i) when the inventory is filed; or

2 (ii) if the inventory is not filed, when the appraisal is filed by the
3 appraisers appointed under § 7-231 of this subtitle; and

4 (2) send a tax bill for the inheritance tax due to each person responsible for
5 paying the tax.

6 (c) The register of the county where the inventory required under § 7-225 of this
7 subtitle is filed shall determine the inheritance tax due on a subsequent interest in
8 property that passes from a decedent.]

9 [7-215.

10 The person responsible under § 7-216 of this subtitle for paying the inheritance tax
11 shall pay it to the register who determines the inheritance tax under §7-214 of this
12 subtitle.]

13 7-215.

14 (A) (1) A PERSON REQUIRED TO PAY INHERITANCE TAX UNDER THIS
15 SUBTITLE SHALL FILE AN APPLICATION TO PAY INHERITANCE TAX WITH THE
16 REGISTER.

17 (2) THE APPLICATION TO PAY INHERITANCE TAX SHALL BE ON THE
18 FORM PROVIDED BY THE COMPTROLLER.

19 (3) A COMBINED OR CONSOLIDATED APPLICATION TO PAY
20 INHERITANCE TAX MAY BE FILED BY TWO OR MORE PERSONS REQUIRED TO PAY
21 INHERITANCE TAX WITH RESPECT TO PROPERTY THAT PASSES FROM THE SAME
22 DECEDENT.

23 (B) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE:

24 (I) AN APPLICATION TO PAY INHERITANCE TAX SHALL BE FILED
25 WITHIN 6 MONTHS AFTER THE DATE OF THE DECEDENT'S DEATH; AND

26 (II) THE INHERITANCE TAX SHALL BE PAID WHEN THE
27 APPLICATION IS FILED.

28 (2) IF THE INHERITANCE TAX ON A SUBSEQUENT INTEREST IN
29 PROPERTY IS NOT PREPAID, THE PERSON REQUIRED TO PAY THE TAX WITH
30 RESPECT TO THE SUBSEQUENT INTEREST SHALL FILE AN APPLICATION TO PAY
31 INHERITANCE TAX AND PAY THE TAX WITHIN 30 DAYS AFTER THE INTEREST VESTS
32 IN POSSESSION.

33 (3) IF ADDITIONAL INHERITANCE TAX BECOMES DUE UNDER § 7-221 OF
34 THIS SUBTITLE, THE PERSON REQUIRED TO PAY THE TAX WITH RESPECT TO THE
35 PROPERTY SHALL FILE AN APPLICATION TO PAY INHERITANCE TAX AND PAY THE
36 TAX WITHIN 30 DAYS AFTER THE DISQUALIFYING EVENT OCCURS.

37 (4) AFTER FILING AN APPLICATION TO PAY INHERITANCE TAX, A
38 PERSON REQUIRED TO PAY INHERITANCE TAX:

15

1 (I) SHALL PROMPTLY FILE AN AMENDED APPLICATION IF:

2 1. PROPERTY NOT INCLUDED IN THE ORIGINAL
3 APPLICATION COMES TO THE PERSON'S ATTENTION;

4 2. THE PERSON LEARNS THAT THE VALUE OR TAX RATE
5 FOR ANY ITEM IS HIGHER THAN INDICATED IN THE ORIGINAL APPLICATION; OR

6 3. EVENTS OCCURRING AFTER THE APPLICATION WAS
7 FILED HAVE OTHERWISE INCREASED THE INHERITANCE TAX REQUIRED TO BE
8 PAID; AND

9 (II) MAY FILE AN AMENDED APPLICATION TO PAY INHERITANCE
10 TAX IF:

11 1. ADDITIONAL EXPENSES HAVE BEEN INCURRED THAT
12 HAVE DECREASED THE INHERITANCE TAX REQUIRED TO BE PAID;

13 2. THE PERSON LEARNS THAT THE VALUE OR TAX RATE
14 FOR ANY ITEM IS LOWER THAN INDICATED IN THE ORIGINAL APPLICATION; OR

15 3. EVENTS OCCURRING AFTER THE APPLICATION WAS
16 FILED HAVE OTHERWISE DECREASED THE INHERITANCE TAX REQUIRED TO BE
17 PAID.

18 (C) NOTWITHSTANDING § 2-208(I) OF THE ESTATES AND TRUSTS ARTICLE,
19 THE REGISTER IS NOT REQUIRED TO AUDIT EVERY APPLICATION TO PAY
20 INHERITANCE TAX FILED.

21 (D) AT THE REQUEST OF ANY LEGATEE OR, IN THE CASE OF AN INTESTATE
22 DECEDENT, ANY HEIR, A PERSONAL REPRESENTATIVE WHO FILES AN APPLICATION
23 TO PAY INHERITANCE TAX SHALL PROVIDE A COPY OF THE APPLICATION TO THAT
24 LEGATEE OR HEIR.

25 [7-217.

26 (a) Except as provided in § 7-218 of this subtitle and subsections (c), (d), and (e)
27 of this section, if an estate is administered subject to the jurisdiction of a court, the person
28 responsible for paying the inheritance tax shall pay the tax when the register determines
29 the amount due, at the time that the representative accounts for the distribution of
30 property of the estate.

31 (b) Except as provided in § 7-218 of this subtitle and subsections (c), (d), and (e)
32 of this section, if there is no formal administration subject to the jurisdiction of a court for
33 property that passes from a decedent, the person responsible for paying the inheritance
34 tax shall pay the tax when the register determines the amount due.

35 (c) Except as provided by subsection (d) of this section, if an interest in property
36 is valued under § 7-209(d) or (e) or § 7-210 of this subtitle, the person responsible for
37 paying the inheritance tax shall pay the tax within 30 days after the determination of the
38 inheritance tax due on the interest.

16

1 (d) If the inheritance tax on a subsequent interest in property is not prepaid, the
2 person responsible for paying the tax shall pay the tax when the interest vests in
3 possession.

4 (e) If additional inheritance tax becomes due under § 7-221 of this subtitle, the
5 person responsible for paying the tax shall pay the tax when the disqualifying event
6 occurs.]

7 7-219.

8 (a) Within a reasonable time after the valuation of a less than absolute interest in
9 property that passes from a decedent, an application to prepay the inheritance tax for a
10 subsequent interest in the same property may be filed with the register[of the county
11 where the inventory was filed under § 7-225 of this subtitle].

12 7-225.

13 [(a)] A person required to file an [inventory] APPLICATION TO PAY
14 INHERITANCE TAX shall have the property appraised in the manner provided in [Title 7,
15 Subtitle 2] § 7-202 of the Estates and Trusts Article.

16 [(b)] Each personal representative shall file the inventory required by § 7-201 of
17 the Estates and Trusts Article with the register within 3 months after appointment.

18 (c) If there is no formal administration of an estate, each person other than a
19 personal representative who distributes property that passes from the decedent shall file
20 the inventory required by § 7-201 of the Estates and Trusts Article, within 3 months after
21 the death of the decedent and before distributing the property:

22 (1) for personal property, with the register in the county where the decedent
23 resided at the time of death; and

24 (2) for real property, with the register in the county where the real property
25 is located.

26 (d) If there is no formal administration of an estate, each person who receives
27 property that passes from a decedent without distribution shall file the inventory required
28 by § 7-201 of the Estates and Trusts Article, within 3 months after the death of the
29 decedent:

30 (1) for personal property, with the register in the county where the decedent
31 resided at the time of death; and

32 (2) for real property, with the register in the county where the real property
33 is located.

34 (e) A foreign personal representative who administers an estate with property
35 that is located in this State and subject to the inheritance tax shall file with the register of
36 the county where the foreign personal representative believes the largest part, in value, of
37 the property is located:

38 (1) a copy of the appointment as personal representative;

17

1 (2) a copy of the will of the decedent, if any, authenticated in accordance
2 with 28 U.S.C. § 1738; and

3 (3) an inventory of all of the property that the estate owns in this State that:

4 (i) is made under oath;

5 (ii) describes each item in reasonable detail; and

6 (iii) indicates the fair market value of each item and the basis on which
7 the value is determined.]

8 10-205.

9 (a) In addition to the modification under § 10-204 of this subtitle, the amounts
10 under this section are added to the federal adjusted gross income of a resident to
11 determine Maryland adjusted gross income.

12 (H) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE
13 AMOUNT OF ANY EXPENSES CLAIMED AS AN EXPENSE ON AN APPLICATION TO PAY
14 INHERITANCE TAX UNDER TITLE 7, SUBTITLE 2 OF THIS ARTICLE THAT ARE
15 ALLOWED AS A DEDUCTION FOR PURPOSES OF DETERMINING FEDERAL TAXABLE
16 INCOME FOR THE TAXABLE YEAR.

17 13-201.

18 In this subtitle, "tax information" means:

19 (1) the amount of income or any other particulars disclosed in a tax return
20 required under this article, if the return contains return information, as defined in § 6103
21 of the Internal Revenue Code;

22 (2) any return information, as defined in § 6103 of the Internal Revenue
23 Code, required to be attached to or included in a tax return required under this article; or

24 (3) any information contained in:

25 (i) an admissions and amusement tax return;

26 (II) AN APPLICATION TO PAY INHERITANCE TAX OR AN
27 INHERITANCE TAX INFORMATION REPORT REQUIRED UNDER § 7-224 OF THIS
28 ARTICLE; or

29 [(ii)] (III) a sales and use tax return.

30 13-601.

31 (a) Except as otherwise provided in this section, if a person or governmental unit
32 fails to pay a tax imposed under this article on or before the date on which the tax is due,
33 the tax collector shall assess interest on the unpaid tax from the due date to the date on
34 which the tax is paid.

35 (b) Except as provided in [subsections (c)(2) and (d)] SUBSECTION (D) of this
36 section, the date on which the tax is due is determined without regard to any extension of
37 time to file a return.

18

1 (c) [Interest] IF AN ALTERNATIVE PAYMENT SCHEDULE FOR INHERITANCE
2 TAX IS ALLOWED, INTEREST on unpaid inheritance tax begins [:

3 (1) 30 days after the date on which the tax is determined;

4 (2) on the original due date, if there is no formal administration of the
5 estate and the tax is not paid within 30 days after the date on which the tax bill is mailed;
6 or

7 (3) 30 days after the] ON THE original due date[, if an alternative payment
8 schedule for inheritance tax is allowed].

9 13-701.

10 (a) Except as otherwise provided in this subtitle, if a person or governmental unit
11 fails to pay a tax when due under this article, the tax collector shall assess a penalty not
12 exceeding 10% of the unpaid tax.

13 (b) (1) If a person fails to pay financial institution franchise tax, income tax, or
14 tobacco tax when required under this article, the tax collector shall assess a penalty not
15 exceeding 25% of the unpaid tax.

16 (2) If a person fails to file a motor carrier tax return or motor fuel tax return
17 when required under this article, the Comptroller shall assess a penalty not exceeding
18 \$25.

19 [(c) The penalty under subsection (a) of this section may be assessed for unpaid
20 inheritance tax at or after the time allowed for the assessment of interest under §
21 13-601(c) of this title.]

22 13-806.

23 (b) (1) Except as otherwise provided in this subsection, a lien for unpaid
24 inheritance tax:

25 (i) arises on the date of [distribution] THE DECEDENT'S DEATH;
26 and

27 (ii) continues for 4 years.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 1996 and shall be applicable to persons dying on or after October 1, 1996.