
By: Delegates Finifter, Morhaim, Frank, and Klausmeier

Introduced and read first time: January 30, 1997

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Estates and Trusts - Recovery by Minor in Tort - Small Withdrawals for Medical or**
3 **Educational Expenses**

4 FOR the purpose of authorizing a trustee of certain money held in trust for a minor, upon
5 filing a Notice of Disclosure, to withdraw a certain amount for certain purposes
6 without obtaining a court order; requiring a Notice of Disclosure to be filed in the
7 original court action or in the circuit court in the county where the money is on
8 deposit; requiring a Notice of Disclosure to be verified and state certain
9 information; providing that a trustee who fails to file a Notice of Disclosure is
10 subject to certain remedies; and generally relating to the withdrawal of certain
11 money held in trust for a minor.

12 BY repealing and reenacting, with amendments,
13 Article - Estates and Trusts
14 Section 13-405
15 Annotated Code of Maryland
16 (1991 Replacement Volume and 1996 Supplement)

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

19 **Article - Estates and Trusts**

20 13-405.

21 (a) Except AS PROVIDED IN SUBSECTION (C) OF THIS SECTION OR upon the
22 order of a circuit court, the financial institution specified in § 13-404 (b) may not allow
23 the withdrawal of any of the money except to pay it to the minor upon his attainment of
24 the age of 18 years or to pay to the personal representative of his estate upon the death
25 of the minor prior to his attaining the age of 18 years.

26 (b) Payment by any institution or association in accordance with an order of the
27 court, or to a minor on or after his attaining the age of 18 years, or to the personal
28 representative after the death of the minor, is a complete discharge of liability of the
29 institution or association for the money paid.

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1 (C) (1) UPON FILING A NOTICE OF DISCLOSURE, A TRUSTEE MAY
2 WITHDRAW AN AMOUNT NOT EXCEEDING \$250 TO PAY MEDICAL OR EDUCATIONAL
3 EXPENSES OF THE MINOR WITHOUT OBTAINING A COURT ORDER.

4 (2) A NOTICE OF DISCLOSURE SHALL BE FILED IN THE ORIGINAL
5 COURT ACTION OR IN THE CIRCUIT COURT IN THE COUNTY WHERE THE MONEY IS
6 ON DEPOSIT.

7 (3) A NOTICE OF DISCLOSURE SHALL BE VERIFIED AND STATE IN
8 DETAIL THE PURPOSE FOR WHICH THE WITHDRAWAL OF THE MONEY IS MADE.

9 (4) A TRUSTEE WHO FAILS TO FILE A NOTICE OF DISCLOSURE IN
10 ACCORDANCE WITH THIS SUBSECTION SHALL BE SUBJECT TO ALL REMEDIES
11 AVAILABLE AGAINST A FIDUCIARY.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 1997.