
By: **Delegates Finifter and Zirkin**

Introduced and read first time: February 10, 1999

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Estates and Trusts - Limitation Period for Refund Claim**

3 FOR the purpose of altering the limitation period for filing a claim for a refund after
4 distribution of certain property to the Department of Health and Mental
5 Hygiene or a board of education; providing exceptions to the limitation period for
6 filing a claim against a certain heir or legatee under certain circumstances;
7 providing for the application of this Act; and generally relating to the limitation
8 period for filing a refund claim.

9 BY repealing and reenacting, with amendments,
10 Article - Estates and Trusts
11 Section 3-105(b), 9-108(b), and 10-103(b)
12 Annotated Code of Maryland
13 (1991 Replacement Volume and 1998 Supplement)

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

16 **Article - Estates and Trusts**

17 3-105.

18 (b) (1) After payment has been made to the Department of Health and
19 Mental Hygiene or to the board of education, if a claim for refund is filed by a relative
20 within the fifth degree living at the death of the decedent or by the personal
21 representative of the relative, and the claim is allowed, the claimant shall be entitled
22 to a refund, without interest, of the sum paid.

23 (2) A claim for refund under this subsection may not be filed [after the
24 later of:

25 (i) 3 years after the death of the decedent; or

26 (ii) 1 year after the time of distribution of the property] MORE
27 THAN 12 YEARS FROM THE DATE OF DISTRIBUTION OF THE PROPERTY.

1 9-108.

2 (b) (1) If, after payment has been made to the board of education, a claim for
3 refund is filed by the heir or legatee, or by the personal representative of the heir or
4 legatee, the claimant is entitled to a refund, without interest, of the sum paid, or the
5 proceeds from the sale of property if not in the form of cash when transferred to the
6 board of education, or the fair market value at the time of transfer if not converted to
7 cash.

8 (2) A claim for refund under this subsection may not be filed [after the
9 later of:

10 (i) 3 years after the death of the decedent; or

11 (ii) 1 year after the time of distribution of the property] MORE
12 THAN 12 YEARS FROM THE DATE OF DISTRIBUTION OF THE PROPERTY.

13 10-103.

14 (b) (1) Except as provided in §§ 3-105, 9-108, AND 10-102 [and 11-109] of
15 this article AND IN § 7-308 OF THE TAX - GENERAL ARTICLE, the right of a person
16 seeking to recover property improperly distributed, or the value of it, from a person to
17 whom property has been distributed is forever barred at the later of:

18 (i) Three years from the death of decedent; or

19 (ii) One year from the [time] DATE of distribution of the property.

20 (2) This subsection does not bar recovery of property or the value of it
21 received as the result of the heir's or legatee's participation in a fraudulent
22 distribution.

23 SECTION 2. AND BE IT FURTHER ENACTED, That the limitation periods
24 specified by this Act shall apply whether a distribution of property occurred before,
25 on, or after the effective date of this Act.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 1999.