

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 314 (Senator Green)

Judicial Proceedings

Estates and Trusts - Personal Representative - Execution of Bond

This bill: (1) alters the order of application of provisions of law requiring a personal representative appointed to administer an estate to execute a bond for the payment of debts and inheritance taxes; (2) requires each personal representative to execute a bond to secure payment of debts, inheritance taxes, court costs, and register's fees of the estate; and (3) authorizes a court to require a personal representative to execute a bond to secure payment to all interested parties and creditors, under certain circumstances.

Fiscal Summary

State Effect: None. This bill is procedural in nature and would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The personal representative of an estate must execute a bond for the benefit of all interested parties and creditors, unless the will of the decedent expressly excuses the bond requirement. This bond is generally a "full" bond in the amount of the full value of the estate. The Orphan's Court or the Register of Wills may require a full bond, even where the will has expressly excused it, in circumstances such as the existence of a minor child without a named guardian or fighting family members.

In addition, all estates (including those in which the personal representative is excused from giving bond) must give a bond sufficient to pay debts and inheritance taxes. This "nominal"

bond may be purchased from a surety for approximately \$75 and provides up to \$25,000 in coverage for debt and tax liabilities.

Bill Summary: Under the bill, nominal bonds would remain mandatory and full bonds would remain at the discretion of the Orphan's Court and the Register of Wills. The order of reference of the two types of bonds is reversed and the circumstances of their imposition is changed slightly.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Registers of Wills, Department of Legislative Services

Fiscal Note History: First Reader - February 8, 2000
jir/jr Revised - Senate Third Reader - March 20, 2000

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