

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 574 (Delegate Doory, *et al.*)
Judiciary

Judicial Proceedings

**Estates and Trusts - Corporate Fiduciaries and Successor Corporate Fiduciaries
- Qualifications and Liabilities**

This bill allows a corporate fiduciary to include the capital and surplus of its parent corporation for the purpose of qualifying as a fiduciary. If this is done, the parent corporation becomes liable for claims against its subsidiary for the subsidiary's actions as a fiduciary. The bill also provides for appointment of a new fiduciary if there is a complaint regarding the qualification of the successor fiduciary under certain circumstances.

Fiscal Summary

State Effect: None. This bill would not directly affect government operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: For purposes of qualifying as a fiduciary, a corporate fiduciary may attribute to its capital and surplus the capital and surplus of any bank, trust company, or bank holding company of which it is a direct or indirect subsidiary or affiliate. Any bank, trust company, or bank holding company of which a successor fiduciary is a direct or indirect subsidiary or affiliate is jointly and severally liable with the successor fiduciary for claims against the successor fiduciary when acting in its fiduciary capacity.

Additional Information

Prior Introductions: House Bill 598 of 2000 passed the House but was not reported from the Senate Judicial Proceedings Committee.

Cross File: SB 585 (Senator Hoffman, *et al.*) - Judicial Proceedings.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader – February 20, 2001
ef/jr

Analysis by: Matthew D. Riven

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510