

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 98 (Senator Baker)
Judicial Proceedings

Register of Wills - Salary

This bill increases the minimum salary for a Register of Wills from \$6,000 to \$75,000 and the maximum salary from \$75,000 to \$85,000. The salary increase will apply at the beginning of the next following term of office.

Fiscal Summary

State Effect: Off-budget expenditures by the Registers of Wills could increase by approximately 13%, or \$224,600, due to salary increases. General fund revenues may decline if less registers' commissions are reverted.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The current minimum salary for a Register of Wills is \$6,000; the maximum is \$75,000. While the permissible range of salaries is set by statute, the Board of Public Works must approve each individual salary change.

Background: The Register of Wills in each jurisdiction is responsible for the administration of estates by providing proper forms and direction, assisting, and advising any person who requests assistance in the preparation of any form for administrative probate, admitting wills to probate and issuing Letters of Administration, auditing accounts, and maintaining accurate records of all estate matters.

The registers collect the inheritance tax, which is applied to the receipt of property from a decedent's estate. As a result of Chapter 497 of 2000, for decedents dying on or after July 1, 2000, all direct beneficiaries (including grandparents, parents, spouses, children, and others) as well as siblings are exempt from the inheritance tax. All other beneficiaries remain subject to the tax at the rate of 10%.

The registers retain 25% of inheritance tax revenues as a commission, with the remaining 75% remitted to the general fund. To the extent that inheritance tax and other revenues (including probate fees) received by the registers of wills exceed the operating costs of the registers' offices, the excess inheritance tax collections are remitted back to the general fund. The registers' revenues (probate fees and the unremitted portion of the inheritance tax) and expenditures are not included in the State budget.

Off-Budget Expenditures: Salaries for the registers currently range from \$65,625 in the smaller counties to the maximum permissible \$75,000 in the larger counties. Assuming that the salaries in the larger counties are increased to \$85,000 (or a 13.3% increase) and that all the registers receive the same proportional increase, then salary costs (off-budget) could increase by \$224,600.

State Revenues: The impact on the general fund due to reduced inheritance tax remittances would depend on additional factors, such as the amount of probate fee collections and changes in other areas of the registers' expenditures. The maximum reduction in revenues would be \$224,600.

Additional Information

Prior Introductions: None.

Cross File: HB 220 (Delegates Valderrama and Vallerio) - Ways and Means.

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

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