

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 191 (Delegate Crouse)
 Judiciary

Register of Wills - Salary

This bill removes the minimum salary of \$6,000 for a register of wills and increases 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 would increase by an estimated \$151,300 in FY 2003, due to the December 1, 2002 effective date of anticipated salary increases. Future year increases of \$259,400 reflect annualization. Because less registers' commissions would be reverted, general fund revenues would decrease by commensurate amounts.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
GF Revenue	(\$151,300)	(\$259,400)	(\$259,400)	(\$259,400)	(\$259,400)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$151,300)	(\$259,400)	(\$259,400)	(\$259,400)	(\$259,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

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 determines the annual salary of each register of wills.

In determining the salary of a register of wills, the Board of Public Works is required to consider:

- the population of the county determined by the last official United States census;
- the dollar volume of total fees and taxes collected and excess fees turned over to the State for each of the preceding five years by the office of the register for which the salary is being fixed; and
- other pertinent data which have relation to the reasonableness of the salary in relation to the work done and volume handled by the office.

Background: Registers of wills are elected officials. 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.

The maximum salary of the registers of wills was increased in 1998 from \$64,000 to \$75,000. The Maryland Constitution, provides that the salary or compensation of any public officer may not be increased or diminished during a term of office except for those whose full term of office is fixed by law and exceeds four years.

Expenditures: Salaries for the registers currently range from \$65,625 in the smaller counties to the maximum permissible \$75,000 in the larger counties. This analysis assumes that the salaries of the registers in the larger counties will increase to \$85,000 (an approximate 13.3% increase) and that the registers in the remaining counties will receive the same proportional increase.

<u>Register of Wills</u>	<u>Current Salary</u>	<u>Projected Salary</u>
Caroline	\$65,625	\$74,375
Garrett	65,625	74,375
Kent	65,625	74,375
Somerset	65,625	74,375
Allegany	69,141	78,360
Calvert	69,141	78,360
Cecil	69,141	78,360
Dorchester	69,141	78,360
Queen Anne's	69,141	78,360
St. Mary's	69,141	78,360
Talbot	69,141	78,360
Wicomico	69,141	78,360
Worcester	69,141	78,360
Carroll	71,484	81,015
Charles	71,484	81,015
Fredrick	71,484	81,015
Harford	71,484	81,015
Howard	71,484	81,015
Washington	71,484	81,015
Anne Arundel	75,000	85,000
Baltimore City	75,000	85,000
Baltimore County	75,000	85,000
Montgomery	75,000	85,000
Prince George's	75,000	85,000
Total	\$1,688,673	\$1,913,829

The total annual salary increase is \$225,156. Including fringe benefits at 15.2%, the total estimated annual cost of the bill is \$259,380. The salary increases would take effect December 1, 2002, the beginning of the next term of office for the registers.

State Revenues: General fund revenues would decrease by \$259,380, on an annualized basis, due to reduced inheritance tax remittances.

Additional Information

Prior Introductions: This bill is similar to HB 220 of 2001, which passed the House, but was not reported by the Senate Judicial Proceedings Committee, and SB 98 of 2001, which was not reported by the Senate Judicial Proceedings Committee.

Cross File: SB 13 (Senator Baker) – Judicial Proceedings. In addition, HB 190 is identical.

Information Source(s): Department of Budget and Management (Board of Public Works), Comptroller's Office, Register of Wills, Department of Legislative Services

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