

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 307

(Senator Giannetti)

Judicial Proceedings

Judiciary

Estates - Personal Representatives - Election for Modified Administration

This bill would expand the categories of eligible beneficiaries under a will that would allow an election for modified administration of an estate to include all individuals or entities that are exempt from the inheritance tax. The bill also requires that all trustees of each trust created in the will be limited to the personal representative, surviving spouse, and children of a decedent in order to elect modified administration.

The bill applies prospectively only and may not be applied to any election for modified administration filed before the bill's October 1, 2003 effective date.

Fiscal Summary

State Effect: None. The bill would not directly affect State finances.

Local Effect: The bill would create efficiency savings for orphans' courts to the extent that more estates proceed by modified administration.

Small Business Effect: None.

Analysis

Current Law: Modified administration is available when all residuary legatees of a testate decedent and the heirs at law of an intestate decedent are limited to the decedent's personal representative, surviving spouse, and children. The personal representative must file an election for modified administration within three months of the date of appointment. The filing must indicate the consent of all residuary legatees and heirs at law. The Tax-General Article exempts several individuals and entities from the

inheritance tax, including the grandparents, parents, spouse, child, brother, sister, and stepparents of a decedent.

Background: Effective for decedents dying on or after October 1, 1997, special provisions for modified administration were enacted towards the goal of limiting the role of the register of wills and the orphans' court in the administration of certain smaller, less complex estates. The purpose of the provision was to encourage expeditious closing of an estate and distribution of assets. To this end, the formal inventory and account provisions under normal administration was replaced by the less rigorous final report.

Additional Information

Prior Introductions: None.

Cross File: HB 284 (Delegate Vallario) – Judiciary.

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

Fiscal Note History: First Reader - February 5, 2003
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