

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 686

(Senators Gladden and Giannetti)

Judicial Proceedings

Judiciary

Estates - Election for Modified Administration

This bill alters the requirements for electing modified administration of an estate. To qualify for the election, all trustees of each trust that is a residuary legatee must be limited to a decedent's personal representative, surviving spouse, or children.

The bill is to be construed prospectively and may not be applied to an estate of a decedent who dies before the bill's October 1, 2004 effective date.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill's changes would not affect local government finances.

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 and specified individuals or entities exempt from inheritance tax in the decedent's estate. All trustees of each trust, if any, created in the decedent's will must be limited to the decedent's: (1) personal representative; (2) surviving spouse; and (3) 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 were replaced by the less rigorous final report.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 8, 2004
n/jr

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