

ENROLLED BILL
-- Judicial Proceedings/Judiciary --

Introduced by **Senator Giannetti**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Uniform Transfers to Minors Act - Qualified Minor's Trust**

3 FOR the purpose of authorizing a custodian for a minor under the Maryland Uniform
4 Transfers to Minors Act to transfer certain custodial property to a qualified
5 minor's trust without a court order under certain circumstances; providing that
6 the transfer of certain custodial property to a qualified minor's trust terminates
7 the custodianship of that property to a certain extent; defining a certain term;
8 providing for the application of this Act; and generally relating to transfers of
9 custodial property to certain trusts.

10 BY repealing and reenacting, without amendments,
11 Article - Estates and Trusts
12 Section 13-301(a)
13 Annotated Code of Maryland
14 (2001 Replacement Volume and 2004 Supplement)

15 BY adding to

1 Article - Estates and Trusts
 2 Section 13-301(n)
 3 Annotated Code of Maryland
 4 (2001 Replacement Volume and 2004 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article - Estates and Trusts
 7 Section 13-301(n), (o), and (p) and 13-314
 8 Annotated Code of Maryland
 9 (2001 Replacement Volume and 2004 Supplement)

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 11 MARYLAND, That the Laws of Maryland read as follows:

12 **Article - Estates and Trusts**

13 13-301.

14 (a) In this subtitle the following words have the meanings indicated.

15 (N) ~~(H)~~ "QUALIFIED MINOR'S TRUST" MEANS A TRUST, INCLUDING A TRUST
 16 CREATED BY A CUSTODIAN FOR THE USE AND BENEFIT OF A MINOR:

17 ~~(H)~~ (1) OF WHICH A MINOR IS THE SOLE BENEFICIARY DURING
 18 THE MINOR'S LIFETIME; AND

19 ~~(H)~~ (2) THAT MEETS THE REQUIREMENTS OF § 2503(C) OF THE
 20 INTERNAL REVENUE CODE AND THE REGULATIONS IMPLEMENTING THAT SECTION.

21 ~~(2)~~ ~~"QUALIFIED MINOR'S TRUST" INCLUDES A TRUST CREATED BY THE~~
 22 ~~CUSTODIAN FOR THE USE AND BENEFIT OF THE MINOR.~~

23 [(n)] (O) "State" includes any state of the United States, the District of
 24 Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject
 25 to the legislative authority of the United States.

26 [(o)] (P) "Transfer" means a transaction that creates custodial property under
 27 § 13-309 of this subtitle.

28 [(p)] (Q) "Transferor" means a person who makes a transfer under this
 29 subtitle.

30 13-314.

31 (a) A custodian may deliver or pay to the minor or expend for the minor's
 32 benefit so much of the custodial property as the custodian considers advisable for the
 33 use and benefit of the minor, without court order and without regard to:

1 (1) The duty or ability of the custodian personally or of any other person
2 to support the minor; or

3 (2) Any other income or property of the minor which may be applicable
4 or available for that purpose.

5 (B) (1) SUBJECT TO PARAGRAPHS (3) AND (4) OF THIS SUBSECTION, A
6 CUSTODIAN MAY TRANSFER ALL OR PART OF THE CUSTODIAL PROPERTY TO A
7 QUALIFIED MINOR'S TRUST WITHOUT A COURT ORDER.

8 (2) A TRANSFER OF CUSTODIAL PROPERTY TO A QUALIFIED MINOR'S
9 TRUST TERMINATES THE CUSTODIANSHIP OF THAT PROPERTY TO THE EXTENT OF
10 THE TRANSFER.

11 (3) CUSTODIAL PROPERTY CREATED UNDER A TESTAMENTARY
12 INSTRUMENT MAY NOT BE TRANSFERRED UNDER THIS SUBSECTION UNLESS THE
13 TRANSFER IS EXPRESSLY AUTHORIZED BY THE INSTRUMENT.

14 (4) FOR AN INTER VIVOS TRANSFER UNDER THIS SUBSECTION TO BE
15 VALID, THE INSTRUMENT THAT CREATED THE CUSTODIAL PROPERTY SHALL
16 CONTAIN IN CONSPICUOUS TYPE A STATEMENT THAT THE TRANSFEROR OF THE
17 PROPERTY ELECTS TO GRANT THE CUSTODIAN THE AUTHORITY TO TRANSFER ALL
18 OR PART OF THE CUSTODIAL PROPERTY TO A QUALIFIED MINOR'S TRUST WITHOUT A
19 COURT ORDER.

20 [(b)] (C) On petition of an interested person or the minor if the minor has
21 attained the age of 14 years, the court may order the custodian to deliver or pay to the
22 minor or expend for the minor's benefit so much of the custodial property as the court
23 considers advisable for the use and benefit of the minor.

24 [(c)] (D) A delivery, payment, or expenditure under this section is in addition
25 to, not in substitution for, and does not affect any obligation of a person to support the
26 minor.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
28 construed to apply only prospectively and may not be applied or interpreted to have
29 any effect on or application to any custodial property created before the effective date of
30 this Act.

31 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
32 effect October 1, 2005.

