

(PRE-FILED)

By: **Senator Giannetti**
Requested: November 15, 2004
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Assigned to: Judicial Proceedings

Committee Report: Favorable
Senate action: Adopted
Read second time: February 16, 2005

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; providing that the transfer of certain
6 custodial property to a qualified minor's trust terminates the custodianship of
7 that property to a certain extent; defining a certain term; and generally relating
8 to transfers of custodial property to certain trusts.

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

14 BY adding to
15 Article - Estates and Trusts
16 Section 13-301(n)
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2004 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article - Estates and Trusts
21 Section 13-301(n), (o), and (p) and 13-314
22 Annotated Code of Maryland

1 (2001 Replacement Volume and 2004 Supplement)

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

4 **Article - Estates and Trusts**

5 13-301.

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

7 (N) (1) "QUALIFIED MINOR'S TRUST" MEANS A TRUST:

8 (I) OF WHICH A MINOR IS THE SOLE BENEFICIARY DURING THE
9 MINOR'S LIFETIME; AND

10 (II) THAT MEETS THE REQUIREMENTS OF § 2503(C) OF THE
11 INTERNAL REVENUE CODE AND THE REGULATIONS IMPLEMENTING THAT SECTION.

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

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

17 [(o)] (P) "Transfer" means a transaction that creates custodial property under
18 § 13-309 of this subtitle.

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

21 13-314.

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

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

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

29 (B) (1) A CUSTODIAN MAY TRANSFER ALL OR PART OF THE CUSTODIAL
30 PROPERTY TO A QUALIFIED MINOR'S TRUST WITHOUT A COURT ORDER.

31 (2) A TRANSFER OF CUSTODIAL PROPERTY TO A QUALIFIED MINOR'S
32 TRUST TERMINATES THE CUSTODIANSHIP OF THAT PROPERTY TO THE EXTENT OF
33 THE TRANSFER.

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

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2005.