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By: **Senator Giannetti**

Introduced and read first time: February 3, 2006

Assigned to: Judicial Proceedings

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Committee Report: Favorable

Senate action: Adopted with floor amendments

Read second time: February 21, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Limited Liability Companies and Partnerships - Inspection Authority of**  
3 **Personal Representative, Trustee, or Fiduciary**

4 FOR the purpose of authorizing a personal representative, trustee, or fiduciary to  
5 inspect the property and assets of a limited liability company in which the  
6 personal representative, trustee, or fiduciary holds an interest to determine  
7 compliance with an environmental law and respond to certain liability relating  
8 to the property; and generally relating to ~~limited liability companies and~~  
9 ~~partnerships~~ the powers of personal representatives, trustees, and fiduciaries.

10 BY repealing and reenacting, with amendments,  
11 Article - Estates and Trusts  
12 Section 7-401(cc)(1), 14-108(b)(1), and 15-102(z)(1)  
13 Annotated Code of Maryland  
14 (2001 Replacement Volume and 2005 Supplement)

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

17 **Article - Estates and Trusts**

18 7-401.

19 (cc) (1) To comply with an environmental law, a personal representative may:

20 (i) Inspect property held by the personal representative, including  
21 any type of interest in a sole proprietorship, partnership, LIMITED LIABILITY  
22 COMPANY, or corporation, and any assets owned by a sole proprietorship, partnership,

1 LIMITED LIABILITY COMPANY, or corporation to determine compliance with an  
2 environmental law and respond to an actual or potential environmental liability  
3 relating to the property;

4 (ii) Before or after the initiation of a claim or a governmental  
5 enforcement action, take any action necessary to prevent, abate, or otherwise remedy  
6 an actual or potential environmental liability relating to property held by the  
7 personal representative;

8 (iii) Settle or compromise at any time a claim against the estate  
9 based on an alleged environmental liability that may be asserted by any person; and

10 (iv) Pay from the estate the costs of an inspection, review, study,  
11 abatement, response, cleanup, or other remedial action that involves an  
12 environmental liability as provided under § 15-524 of this article.

13 14-108.

14 (b) (1) To comply with an environmental law, a trustee may:

15 (i) Inspect property held by the trustee, including any type of  
16 interest in a sole proprietorship, partnership, LIMITED LIABILITY COMPANY, or  
17 corporation, and any assets owned by a sole proprietorship, partnership, LIMITED  
18 LIABILITY COMPANY, or corporation, to determine compliance with an environmental  
19 law and respond to an actual or potential environmental liability relating to the  
20 property;

21 (ii) Before or after the initiation of a claim or a governmental  
22 enforcement action, take action necessary to prevent, abate, or otherwise remedy an  
23 actual or potential environmental liability that affects a trust asset;

24 (iii) Settle or compromise at any time a claim against the trust  
25 based on an alleged environmental liability that may be asserted by any person; and

26 (iv) Pay from the trust the costs of an inspection, review, study,  
27 abatement, response, cleanup, or other remedial action that involves an  
28 environmental liability.

29 15-102.

30 (z) (1) To comply with an environmental law, a fiduciary may:

31 (i) Inspect property held by the fiduciary, including any type of  
32 interest in a sole proprietorship, partnership, LIMITED LIABILITY COMPANY, or  
33 corporation, and any assets owned by a sole proprietorship, partnership, LIMITED  
34 LIABILITY COMPANY, or corporation, to determine compliance with an environmental  
35 law and respond to an actual or potential environmental liability relating to the  
36 property;

1                   (ii)       Before or after the initiation of a claim or a governmental  
2 enforcement action, take action necessary to prevent, abate, or otherwise remedy an  
3 actual or potential environmental liability that affects the fiduciary estate;

4                   (iii)       Settle or compromise at any time a claim against the fiduciary  
5 estate based on an alleged environmental liability that may be asserted by any  
6 person; and

7                   (iv)       Pay from the fiduciary estate the costs of an inspection, review,  
8 study, abatement, response, cleanup, or other remedial action that involves an  
9 environmental liability.

10       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 July 1, 2006.