

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 550

(Senator Stone)

Judicial Proceedings

Judiciary

Estates and Trusts - Transfers to Minors - Joint Custodians

This bill amends the Maryland Uniform Transfer to Minors Act to allow two persons to be designated as custodians of custodial property transferred for the benefit of the same minor. The two persons act as joint custodians and, unless otherwise specified in any document creating the custodianship, each joint custodian has the full power and authority to act alone as a custodian. If either custodian resigns, dies, becomes incapacitated, or is removed, the remaining custodian may serve as the sole custodian without appointing a successor joint custodian.

The bill takes effect June 1, 2006.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Uniform Transfer to Minors Act allows property to be irrevocably transferred to a custodian for the benefit of a minor until the minor reaches the age of 18 or 21, depending on who the property was transferred from. Upon transfer to a custodian, the custodial property is vested in the minor, yet the minor's or the minor's legal representative's rights, powers, duties, and authority are limited to those

provided in the Act. The custodian, in turn, has rights, powers, duties, and authority with respect to the custodial property provided under the Act, including control and management of the property. A transfer may only be made for one minor and only one person may serve as the custodian with respect to a transfer.

Background: The Uniform Transfer to Minors Act has been adopted in 49 states. It was drafted in 1983 by the National Conference of Commissioners on Uniform State Laws to improve upon the existing Uniform Gifts to Minors Act. It provides a relatively convenient and simple way to transfer property to a minor and satisfy tax law requirements for the transfer of property. The Maryland Uniform Transfer to Minors Act was enacted by Chapter 638 of 1989.

Additional Information

Prior Introductions: None.

Cross File: HB 546 (Delegate Dumais) – Judiciary.

Information Source(s): Register of Wills, The National Conference of Commissioners on Uniform State Laws, Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2006
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