

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 678

(Senator Giannetti)

Judicial Proceedings

Judiciary

Limited Liability Companies - Inspection Authority of Personal Representative ,
Trustee, or Fiduciary

This bill authorizes a personal representative, trustee, or fiduciary to inspect the property and assets of a limited liability company in which they hold an interest, to determine compliance with an environmental law and respond to an actual or potential liability relating to the property.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: None. This bill does not directly affect State operations or finances.

Local Effect: None.

Small Business Effect: Potential meaningful. Small businesses doing business as a limited liability company would become subject to inspection by a personal representative, trustee, or fiduciary. A small business may benefit from an estate having an interest in the small business taking action necessary to prevent, abate, or otherwise remedy an environmental liability prior to a legal claim or governmental enforcement action being brought against the small business, or paying costs associated with an environmental liability, including cleanup or remedial costs.

Analysis

Bill Summary: The personal representative, trustee, or fiduciary may:

- take action necessary to prevent, abate, or otherwise remedy an actual or potential environmental liability before or after the initiation of a legal claim or governmental enforcement action;
- settle or compromise a claim against the estate, trust, or fiduciary estate based on an alleged environmental liability; and
- pay from the estate, trust, or fiduciary estate, costs of an inspection, review, study, abatement, response, cleanup, or other remedial action arising from an environmental liability.

Current Law: A personal representative, trustee, or fiduciary may inspect property that they hold, including any type of interest in a sole proprietorship, a partnership, or corporation, and any accompanying assets, to determine compliance with an environmental law and respond to any actual or potential liability. The personal representative, trustee, or fiduciary may also take action to prevent, abate, or otherwise remedy an actual or potential environmental liability that affects an estate, trust, or fiduciary estate asset, at any time settle or compromise a claim against the estate, trust, or fiduciary estate based on an environmental liability regardless of who makes the claim, and pay costs of an inspection, review, study, abatement, response, cleanup, or other remedial action from the estate, trust, or fiduciary estate.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 10, 2006
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