

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 838

(Delegate Dumais, *et al.*)

Environmental Matters

Estates and Trusts - Register of Wills - Cost-of-Living Adjustment to Salary

This bill specifies that each register of wills is entitled to a cost-of-living adjustment awarded in the same percentage and at the same time as that awarded to a State employee. The bill's provisions concerning the salary or compensation of a register of wills take effect at the beginning of the next following term of office.

Fiscal Summary

State Effect: Any future increase in register of wills salaries as a result of a State employee cost-of-living adjustment will result in a corresponding decrease in general fund revenues. *For illustrative purposes*, a 2% increase in current register of wills salaries would result in a corresponding general fund revenue decrease of approximately \$52,000.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background:

Registers of Wills Salaries/Finances

The salary of each register of wills is determined by the Board of Public Works, but may not be more than \$98,500. In determining the annual salary of each register, the Board of Public Works is guided in the exercise of its discretion by (1) the population of the

county as of the last official U.S. census; (2) the dollar volume of total fees and taxes collected and excess fees turned over to the State for each of the preceding five years by the register's office; and (3) other pertinent data related to the reasonableness of the salary in relation to the work done and volume handled by the office.

Under Article III, Section 35 of the Maryland Constitution the salary or compensation of any public officer may not be increased or diminished during his or her term of office, except those whose full term of office is fixed by law in excess of four years. Registers of wills hold office for four years. (*See* Md. Const. Article IV, §41.) The Board of Public Works reviews and usually increases the salaries of the 24 registers of wills every four years before the beginning of a term. The most recent salaries of the 24 registers of wills are shown in **Appendix 1**.

Salaries of the registers are paid semimonthly from the fees and receipts of the office, after deducting the expenses of the office. If the fees and receipts of an office are insufficient in any fiscal year to pay all or a part of the expenses of the office and authorized salary of a register, the deficiency is funded from the taxes remitted to the Comptroller by the register during that fiscal year. (A register of wills is allowed a 25% commission on inheritance tax collected, with the remainder paid into the State Treasury each month.) If the tax collections for the fiscal year are insufficient, the Comptroller makes up the deficit from excess fees remitted from all other registers. (*See* Estates and Trusts Article, § 2-205.)

Annually, every register must return to the Comptroller a full and accurate account of the fees and receipts of the register's office and incurred expenses. The excess of fees and receipts over expenses is delivered to the Comptroller with each report and deposited in the general fund. (*See* Estates and Trusts Article, § 2-207.) Revenue and expenditure information for the registers of wills for fiscal 2009 is shown in **Appendix 2**.

Register of Wills Activities

In each jurisdiction, registers of wills are responsible for the administration of estates by providing proper forms and direction, assisting and advising any person who requests assistance in the preparation of a form for administrative probate, admitting wills to probate, issuing letters of administration, auditing accounts, and maintaining accurate records of all estate matters.

State Employee Cost-of-living Adjustments

Cost-of-living adjustments provided to State employees in previous years have varied. Most recently, a 2% general salary increase was provided to State employees in

fiscal 2008 and 2009. No increase was provided in fiscal 2010 and funding is not included in the fiscal 2011 proposed budget for an increase.

State Fiscal Effect: General fund revenues will decrease to the extent a State employee cost-of-living adjustment is applied to register of wills salaries in future fiscal years. Because the registers of wills' salaries are paid from the fees and taxes collected by the offices, the remainder of which is deposited in the general fund, any increase in register of wills' salaries will represent a corresponding decrease in general fund revenues.

For illustrative purposes, if the registers of wills' current salaries were increased by 2% pursuant to a cost-of-living adjustment, general fund revenues in a fiscal year would decrease by \$52,027, accounting for the increase in salaries and affected fringe benefits.

Additional Information

Prior Introductions: None.

Cross File: SB 561 (Senator Raskin) - Judicial Proceedings.

Information Source(s): Department of Budget and Management, Comptroller's Office, Register of Wills, Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2010
ncs/kdm

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Appendix 1
Registers of Wills Salaries

<u>Jurisdiction</u>	<u>2002-2006</u>	<u>2006-2010</u>
Caroline	\$74,300	\$86,100
Garrett	74,300	86,100
Kent	74,300	86,100
Somerset	74,300	86,100
Allegany	78,300	90,700
Calvert	78,300	90,700
Cecil	78,300	90,700
Dorchester	78,300	90,700
Queen Anne's	78,300	90,700
St. Mary's	78,300	90,700
Talbot	78,300	90,700
Wicomico	78,300	90,700
Worcester	78,300	90,700
Carroll	81,000	93,900
Charles	81,000	93,900
Frederick	81,000	93,900
Harford	81,000	93,900
Howard	81,000	93,900
Washington	81,000	93,900
Anne Arundel	85,000	98,500
Baltimore City	85,000	98,500
Baltimore	85,000	98,500
Montgomery	85,000	98,500
Prince George's	85,000	98,500

Source: Board of Public Works

Appendix 2
Registers of Wills – Revenues and Expenditures
Fiscal 2009

<u>County</u>	<u>Total Receipts</u>	<u>Tax Remitted to General Fund¹</u>	<u>Revenues Retained by Register</u>	<u>Total Operating Expenses</u>	<u>Excess Fees²</u>
Allegany	\$677,694	\$432,112	\$245,582	\$430,777	(\$185,196)
Anne Arundel	6,405,361	4,360,596	2,044,764	1,654,366	390,398
Baltimore City	5,556,306	3,730,665	1,825,640	2,219,023	(393,383)
Baltimore	16,385,027	11,303,456	5,081,570	2,429,338	2,652,233
Calvert	841,383	540,339	301,044	415,870	(114,826)
Caroline	488,580	330,730	157,851	311,319	(153,468)
Carroll	3,377,292	2,364,421	1,012,871	407,681	605,190
Cecil	1,030,883	686,316	344,567	480,392	(135,825)
Charles	656,910	408,503	248,407	598,063	(349,656)
Dorchester	434,728	286,376	148,351	310,575	(162,224)
Frederick	2,746,042	1,885,040	861,002	597,276	263,726
Garrett	439,053	299,698	139,354	332,298	(192,944)
Harford	2,103,804	1,386,407	717,397	495,781	221,616
Howard	1,867,672	1,230,144	637,529	547,369	90,160
Kent	664,038	426,230	237,808	265,983	(28,176)
Montgomery	20,276,902	14,165,006	6,111,895	2,845,908	3,265,987
Prince George's	5,855,426	3,912,677	1,942,749	2,243,691	(300,942)
Queen Anne's	302,174	171,654	130,520	407,884	(277,364)
St. Mary's	1,054,128	701,313	352,815	439,329	(86,514)
Somerset	754,546	540,354	214,192	290,995	(76,803)
Talbot	1,214,608	815,490	399,118	483,571	(84,452)
Washington	1,971,717	1,333,948	637,768	503,562	134,206
Wicomico	867,208	523,339	343,869	372,617	(28,748)
Worcester	811,115	523,001	288,115	360,065	(71,951)
Total	\$76,782,596	\$52,357,817	\$24,424,780	\$19,443,734	\$4,981,046

¹75% of inheritance taxes collected.

²Represents excess fees and receipts remitted to the general fund.

Source: Office of the Comptroller