

Chapter 80

(Senate Bill 673)

AN ACT concerning

Estates and Trusts – Payment of Attorney’s Fees – Contingency Fee

FOR the purpose of authorizing the payment of fees from an estate to an attorney without court approval if the fee is paid to an attorney representing the estate in litigation under a certain contingency fee agreement, the fee does not exceed the terms of the contingency fee agreement, a copy of the contingency fee agreement is on file with the register of wills, and the attorney files a certain statement with each account; and generally relating to payment of certain attorney’s fees.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 7–604
Annotated Code of Maryland
(2001 Replacement Volume and 2010 Supplement)

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

Article – Estates and Trusts

7–604.

(a) Payment of commissions to personal representatives under § 7–601 of this subtitle, and attorney’s fees under § 7–602 of this subtitle may be made without court approval if:

(1) **(I)** Each creditor, who has filed a claim that is still open, and all interested persons consent in writing to the payment;

~~[(2)]~~ **(II)** The combined sum of the payments of commissions and attorney’s fees does not exceed the amounts provided in § 7–601 of this subtitle; and

~~[(3)]~~ **(III)** The signed written consent form states the amounts of the payments and is filed with the register of wills; **OR**

(2) (I) THE FEE IS PAID TO AN ATTORNEY REPRESENTING THE ESTATE IN LITIGATION UNDER A CONTINGENCY FEE AGREEMENT SIGNED BY

THE DECEDENT OR THE CURRENT PERSONAL REPRESENTATIVE OF THE DECEDENT'S ESTATE;

(II) THE FEE DOES NOT EXCEED THE TERMS OF THE CONTINGENCY FEE AGREEMENT;

(III) A COPY OF THE CONTINGENCY FEE AGREEMENT IS ON FILE WITH THE REGISTER OF WILLS; AND

(IV) THE ATTORNEY FILES A STATEMENT WITH EACH ACCOUNT STATING THAT THE SCOPE OF THE REPRESENTATION BY THE ATTORNEY DOES NOT EXTEND TO THE ADMINISTRATION OF THE ESTATE.

(b) When rendering accounts, the personal representative shall designate any payment made under this section as an expense.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011.

Approved by the Governor, April 12, 2011.