

SENATE BILL 451

N2
SB 428/15 – JPR

6lr2996
CF HB 541

By: **Senator Lee**

Introduced and read first time: February 2, 2016

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: March 17, 2016

CHAPTER _____

1 AN ACT concerning

2 **Maryland Trust Act – Revocable Trust – Partial Revocation by Divorce or**
3 **Annulment**

4 FOR the purpose of providing for the revocation of certain terms of a revocable trust on the
5 absolute divorce of the settlor and the settlor's spouse or the annulment of their
6 marriage occurring after the creation of the settlor's revocable trust, except under
7 certain circumstances; requiring removal of the spouse as a trustee or an advisor on
8 the date of the divorce or annulment; prohibiting the spouse from serving as a trustee
9 or an advisor or exercising certain powers after the divorce or annulment; providing
10 for the application of this Act; and generally relating to the effects of divorce or
11 annulment on a revocable trust.

12 BY adding to
13 Article – Estates and Trusts
14 Section 14.5–604
15 Annotated Code of Maryland
16 (2011 Replacement Volume and 2015 Supplement)

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

19 **Article – Estates and Trusts**

20 **14.5–604.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **(A) THIS SECTION APPLIES:**

2 **(1) (I) WITH RESPECT TO A FINAL JUDGMENT OF ABSOLUTE**
3 **DIVORCE OF THE SETTLOR AND THE SETTLOR'S SPOUSE, IF THE FINAL JUDGMENT**
4 **WAS ENTERED INTO ON OR AFTER OCTOBER 1, 2016; OR**

5 **(II) WITH RESPECT TO AN ANNULMENT OF THE MARRIAGE, IF**
6 **THE ANNULMENT OCCURRED ON OR AFTER OCTOBER 1, 2016; AND**

7 **(2) UNLESS OTHERWISE EXPRESSLY PROVIDED:**

8 **(I) IN THE TRUST INSTRUMENT;**

9 **(II) BY COURT ORDER; OR**

10 **(III) BY WRITTEN AGREEMENT BETWEEN THE SETTLOR AND THE**
11 **SETTLOR'S SPOUSE OR FORMER SPOUSE.**

12 **(B) ON THE ABSOLUTE DIVORCE OF THE SETTLOR AND THE SETTLOR'S**
13 **SPOUSE OR THE ANNULMENT OF THE MARRIAGE OCCURRING AFTER THE CREATION**
14 **OF THE SETTLOR'S REVOCABLE TRUST:**

15 **(1) ALL TERMS OF THE TRUST RELATING TO TRUST DISTRIBUTIONS**
16 **TO OR FOR THE BENEFIT OF THE SPOUSE SHALL BE REVOKED, AND, FOR THE**
17 **PURPOSES OF THE TRUST, THE SPOUSE SHALL BE DEEMED TO HAVE DIED ON THE**
18 **DATE OF THE ABSOLUTE DIVORCE OR ANNULMENT;**

19 **(2) IF THE SPOUSE IS SERVING AS A TRUSTEE OR AS AN ADVISOR TO**
20 **THE TRUSTEE OF THE TRUST, THE SPOUSE SHALL BE REMOVED AS A TRUSTEE OR AN**
21 **ADVISOR ON THE DATE OF THE ABSOLUTE DIVORCE OR ANNULMENT WITHOUT**
22 **FURTHER COURT ACTION; AND**

23 **(3) AFTER THE DIVORCE OR ANNULMENT, THE FORMER SPOUSE MAY**
24 **NOT:**

25 **(I) SERVE AS A TRUSTEE OR AS AN ADVISOR TO THE TRUSTEE**
26 **OF THE TRUST; OR**

27 **(II) EXERCISE ANY TRUST OR FIDUCIARY POWERS PROVIDED IN**
28 **THE TERMS OF THE TRUST, INCLUDING ANY POWER OF APPOINTMENT.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2016.