

# HOUSE BILL 754

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CF SB 792

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By: **Delegates West and Lierman**

Introduced and read first time: February 2, 2017

Assigned to: Health and Government Operations

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Committee Report: Favorable

House action: Adopted

Read second time: March 8, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Trust Act – Notice and Reporting Requirements – Exemptions**

3 FOR the purpose of exempting certain persons from certain requirements under the  
4 Maryland Trust Act to provide certain notice and certain information to themselves;  
5 and generally relating to notice and reporting requirements under the Maryland  
6 Trust Act.

7 BY repealing and reenacting, with amendments,  
8 Article – Estates and Trusts  
9 Section 14.5–109 and 14.5–813  
10 Annotated Code of Maryland  
11 (2011 Replacement Volume and 2016 Supplement)

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

14 **Article – Estates and Trusts**

15 14.5–109.

16 (a) (1) Notice to a person under this title or the sending of a document to a  
17 person under this title shall be accomplished in a manner reasonably suitable under the  
18 circumstances and likely to result in receipt of the notice or document.

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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 (2) Permissible methods of notice to a person or for sending a document to  
2 a person under this title include first-class mail, personal delivery, or delivery to the last  
3 known place of residence or place of business of the person.

4 (3) (i) This paragraph applies to:

- 5 1. The proposed termination of a trust;
- 6 2. The proposed modification of the administrative or  
7 dispositive terms of a trust;
- 8 3. The proposed combination of two or more trusts into a  
9 single trust;
- 10 4. The proposed division of a trust into two or more separate  
11 trusts;
- 12 5. The proposed resignation of a trustee or cotrustee; or
- 13 6. The proposed transfer of the principal place of  
14 administration of a trust.

15 (ii) Notwithstanding paragraphs (1) and (2) of this subsection, a  
16 trustee shall provide notice to a person under this title:

- 17 1. By personal service; or
- 18 2. By certified mail, postage prepaid, return receipt  
19 requested.

20 (b) Notice otherwise required under this title or a document otherwise required  
21 to be sent under this title need not be provided:

22 **(1) [to] TO a person whose identity or location is unknown to and not**  
23 **reasonably ascertainable by the trustee; OR**

24 **(2) BY A PERSON TO HIMSELF OR HERSELF.**

25 (c) Notice under this title or the sending of a document under this title may be  
26 waived in writing by the person to be notified or sent the document.

27 (d) Notice of a judicial proceeding under this title shall be given as provided in  
28 the applicable rules of civil procedure.

29 14.5-813.

1 (a) Unless unreasonable under the circumstances, a trustee shall promptly  
2 respond to the request of a qualified beneficiary for information related to the  
3 administration of the trust, including a copy of the trust instrument.

4 (b) (1) A trustee:

5 (i) Within 60 days after accepting a trusteeship, shall notify the  
6 qualified beneficiaries of the acceptance and of the trustee's name, address, and telephone  
7 number; and

8 (ii) Within 90 days after the date the trustee acquires knowledge of  
9 the creation of an irrevocable trust, or the date the trustee acquires knowledge that a  
10 formerly revocable trust has become irrevocable, whether by the death of the settlor or  
11 otherwise, shall notify the qualified beneficiaries of the trust's existence, of the identity of  
12 the settlor or settlors, of the right to request a copy of the trust instrument, and of the right  
13 to a trustee's report as provided in subsection (c) of this section.

14 (2) Notwithstanding § 14.5–109 of this title, notice required under this  
15 subsection shall be:

16 (i) To the extent the names and locations of the qualified  
17 beneficiaries are known to the trustee:

18 1. By delivery of the notice to the qualified beneficiaries  
19 personally; or

20 2. By sending the notice to the qualified beneficiaries at their  
21 last known address by certified mail, postage prepaid, return receipt requested; and

22 (ii) If the name, location, or both of a qualified beneficiary is not  
23 known to the trustee, by publication in a newspaper of general circulation in the county  
24 where the trust property is located once a week for 3 successive weeks.

25 (c) (1) On request by a qualified beneficiary, a trustee shall send to the  
26 qualified beneficiary annually and at the termination of the trust a report of the trust  
27 property, liabilities, receipts, and disbursements, including the source and amount of the  
28 compensation of the trustee, a listing of the trust assets, and, if feasible, the respective  
29 market values of the trust assets.

30 (2) On a vacancy in a trusteeship, unless a cotrustee remains in office, the  
31 former trustee shall send a report to the qualified beneficiaries that request the report.

32 (3) A personal representative, a guardian, or an attorney-in-fact may send  
33 the qualified beneficiaries a report on behalf of the former trustee.

34 (d) (1) A qualified beneficiary may waive the right to a trustee's report or other  
35 information otherwise required to be furnished under this section.

1 (2) A qualified beneficiary, with respect to future reports and other  
2 information, may withdraw a waiver previously given.

3 (3) IF A TRUSTEE IS A QUALIFIED BENEFICIARY OF THE TRUST FOR  
4 WHICH THE TRUSTEE IS SERVING, THE TRUSTEE IS NOT REQUIRED TO PROVIDE  
5 HIMSELF OR HERSELF A TRUSTEE’S REPORT OR OTHER INFORMATION REQUIRED TO  
6 BE FURNISHED UNDER THIS SECTION.

7 (e) Subsection (b) of this section does not apply to a trustee that accepts a  
8 trusteeship before January 1, 2015, to an irrevocable trust created before January 1, 2015,  
9 or to a revocable trust that becomes irrevocable before January 1, 2015.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.