

Chapter 356

(House Bill 754)

AN ACT concerning

Maryland Trust Act – Notice and Reporting Requirements – Exemptions

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

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

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

Article – Estates and Trusts

14.5–109.

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

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

(3) (i) This paragraph applies to:

1. The proposed termination of a trust;
2. The proposed modification of the administrative or dispositive terms of a trust;
3. The proposed combination of two or more trusts into a single trust;
4. The proposed division of a trust into two or more separate trusts;

5. The proposed resignation of a trustee or cotrustee; or

6. The proposed transfer of the principal place of administration of a trust.

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

1. By personal service; or

2. By certified mail, postage prepaid, return receipt requested.

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

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

(2) BY A PERSON TO HIMSELF OR HERSELF.

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

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

14.5–813.

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

(b) (1) A trustee:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the Governor, April 18, 2017.