

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 75

(Senator West)

Judicial Proceedings

Judiciary

**Maryland Uniform Transfers to Minors Act - Transfers as Custodian for the
Benefit of a Minor - Authorization of Court**

This bill increases the threshold monetary amount – from \$10,000 to \$25,000 – above which specified transfers by a personal representative, trustee, or conservator to a custodian under the Maryland Uniform Transfers to Minors Act require court authorization.

Fiscal Summary

State Effect: The bill does not materially affect State finances.

Local Effect: The bill does not materially affect local government finances.

Small Business Effect: None.

Analysis

Current Law:

Requirements for Certain Transfers under the Maryland Uniform Transfers to Minors Act

The Maryland Uniform Transfers to Minors Act authorizes a personal representative or trustee to make an irrevocable transfer to another adult or trust company as custodian for the benefit of a minor pursuant to the Act, in the absence of a will or under a will or trust that does not contain an authorization to do so. A conservator may also make an irrevocable transfer to another adult or trust company as custodian for the benefit of a minor pursuant to the Act. However, under those circumstances a transfer may only be made if:

- the personal representative, trustee, or conservator considers the transfer to be in the best interest of the minor;
- the transfer is not prohibited by or inconsistent with provisions of the applicable will, trust agreement, or other governing instrument; and
- the transfer is authorized by the court if it exceeds \$10,000 in value. (The bill increases this amount to \$25,000.)

Maryland Uniform Transfers to Minors Act, Generally

Generally, the Maryland Uniform Transfers to Minors Act allows property to be irrevocably transferred to a custodian for the benefit of a minor (defined under the Act as an individual under age 21), for the custodian to manage and control. When the minor reaches age 21 (or, for certain property, age 18), the property is transferred to the minor. (Property transferred to a custodian under the provisions affected by the bill is transferred to the minor at age 21.)

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 324 (Delegate Cardin) - Judiciary.

Information Source(s): Judiciary (Administrative Office of the Courts); Orphans' Court of Baltimore County; Register of Wills; Department of Legislative Services

Fiscal Note History: First Reader - January 18, 2024
rh/sdk Third Reader - March 13, 2024
Revised - Amendment(s) - March 13, 2024

Analysis by: Joanne E. Tetlow

Direct Inquiries to:
(410) 946-5510
(301) 970-5510