

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 146
Judiciary

(Delegate Cardin)

Estates and Trusts - Resignation of Trustee - Notice

This bill authorizes a trustee of a trust, under the Maryland Trust Act, to resign, without having to seek court approval, provided that at least 30 days' notice is given to (1) the qualified beneficiaries of the trust; (2) the settlor of (creator of or contributor to) the trust, if living; (3) all co-trustees; and (4) any person that has a right to replace or appoint a successor to the resigning trustee.

Fiscal Summary

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

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

Small Business Effect: Minimal.

Analysis

Current Law:

Resignation of a Trustee

Under the Maryland Trust Act, a trustee may resign with approval of the court. In approving a resignation of a trustee, the court is authorized to issue orders and impose conditions reasonably necessary for the protection of the trust property. Liability of a resigning trustee or of a surety on the bond of the trustee for acts or omissions of the trustee is not discharged or affected by the resignation of the trustee.

Terms of a Trust Prevail

Under the Maryland Trust Act, the terms of a trust prevail over many provisions of the Act, including the provision requiring court approval for a trustee resignation.

Duties of a Resigned Trustee

Unless a co-trustee remains, or the court otherwise orders, and until the trust property is delivered to a successor trustee or other person entitled to the trust property, a trustee that has resigned has the duties of a trustee and the powers necessary to protect the trust property. A trustee that has resigned must proceed expeditiously to deliver the trust property within the possession of the trustee to the co-trustee, successor trustee, or other person entitled to the trust property.

Additional Information

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

Designated Cross File: SB 126 (Senator West) - Judicial Proceedings.

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

Fiscal Note History: First Reader - January 20, 2025
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