

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1008
Economic Matters

(Delegates Queen and Spiegel)

Finance

**Fiduciary Institutions - Exploitation of Seniors and Vulnerable Adults -
Protections and Required Referral (Vulnerable Adult Banking Protection Act)**

This bill allows a fiduciary institution to delay or deny disbursements from an account of a senior citizen or vulnerable adult if the fiduciary institution reasonably suspects the disbursement will result in the financial exploitation of an eligible adult. It includes notification requirements and provisions for the extension and termination of the delayed payments.

Fiscal Summary

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

Local Effect: Local social service agencies and law enforcement agencies can likely handle the bill's requirements with existing resources. Revenues are not affected.

Small Business Effect: Potential minimal.

Analysis

Bill Summary:

Definitions

An "eligible adult" means an individual who resides in the state and is at least 65 years old or is a "vulnerable adult". "Vulnerable adult" means an adult who lacks the physical or mental capacity to provide for the adult's daily needs.

“Financial exploitation” means the wrongful or unauthorized taking, withholding, appropriation, or use of money, assets, or property of an eligible adult, or an act or omission by a person, including through the use of a power of attorney, guardianship, or conservatorship of an eligible adult to (1) obtain control, through deception, intimidation, or undue influence, over the eligible adult’s money, assets, or property in order to deprive the eligible adult of the ownership, use, benefit, or possession of the money, assets, or property or (2) convert money, assets, or property of the eligible adult in order to deprive the eligible adult of the ownership, use, benefit, or possession of the money, assets, or property.

“Law enforcement agency” means a State, county, or municipal police department, bureau, or agency.

“Trusted contact” means an individual who is:

- a member of an eligible adult’s family, including a parent or guardian, a sibling, a spouse, or an adult child of an eligible adult, who a fiduciary institution reasonably believes is closely associated with the eligible adult;
- authorized to transact business on an account of an eligible adult or an account on which an eligible adult is a beneficiary, including through the use of a power of attorney, guardianship, or conservatorship of an eligible adult;
- legally responsible for managing the property or financial affairs of an eligible adult; or
- designated by an eligible adult as an individual that a fiduciary institution may contact about the eligible adult.

Delay and Denial of Disbursements

A fiduciary institution may delay a disbursement from an account of an eligible adult or an account on which an eligible adult is a beneficiary if:

- the fiduciary institution reasonably believes that the requested disbursement may result in the financial exploitation of the eligible adult; and
- the fiduciary institution (1) within four business days after the date on which the disbursement is requested, with specified exceptions, provides written notice of the reason for the delay to all parties authorized to transact business on the account and (2) notifies the relevant local Adult Protective Service (APS), law enforcement agency, or State’s Attorney.

A fiduciary institution (1) may not provide the required written notice to a party the fiduciary institution reasonably believes, or suspects, is engaging in, or attempting to

engage in, the financial exploitation of the eligible adult but (2) must provide, on request, a status update on any disbursement delay or denial of funds to APS, a law enforcement agency, or State's Attorney.

A delay of disbursement expires when the fiduciary institution determines that the disbursement will not result in the financial exploitation of the eligible adult, or 15 business days after the date of the disbursement request, whichever occurs first. However, APS, a law enforcement agency, or a State's Attorney may request to extend the delay of a disbursement for up to 25 business days after the date of the original disbursement request. If a request is made, the delay must continue for 25 business days after the date of the original disbursement request unless APS, a law enforcement agency, State's Attorney, or court of competent jurisdiction enters an order that terminates or extends the delay.

In the absence of a request or order to extend a delay, a fiduciary institution may extend the delay 25 business days after the date on which the original disbursement request was received.

Notification of a Trusted Contact

A fiduciary institution may provide notice, as specified, to the trusted contact of an eligible adult if the fiduciary institution reasonably believes that a requested disbursement may result in the financial exploitation of that eligible adult. However, a fiduciary institution is not required to provide notice to a trusted contact if the fiduciary institution reasonably believes or suspects that the trusted contact is engaging in, or attempting to engage in, the financial exploitation of the eligible adult.

Immunity from Administrative and Civil Liability

A fiduciary institution acting in good faith and exercising reasonable care has immunity from any administrative or civil liability that might arise from:

- providing the notices authorized and required under the bill; and
- the delay or denial of disbursements.

Required Access to Records

A fiduciary institution must provide access to financial records that are relevant to the suspected exploitation of an eligible adult as part of a referral to, or at the request of, APS, a law enforcement agency, or a State's Attorney. The records may include historical records as well as records of recent transactions that may demonstrate the financial exploitation of an eligible adult. Any record made available under the bill is not a public record under the Maryland Public Information Act.

Current Law:

Definitions

“Fiduciary institution” means:

- a national banking association;
- a State banking institution;
- an out-of-State bank that maintains a branch in this State;
- a credit union that is organized under the laws of this State or of the United States;
- any other organization that is organized under the banking laws of this State and subject to the supervision of the Commissioner of the Office of Financial Regulation; or
- a savings and loan association that is organized under the laws of this State or of the United States.

Maryland Securities Act – Reporting Financial Exploitation of Adults

Chapter 837 and 838 of 2017 required agents, investment advisers, investment adviser representatives, broker-dealers, and other qualified individuals, as specified, to report and delay or deny disbursement of funds believed to result in the financial exploitation of an eligible adult.

A broker-dealer, an investment adviser, or a qualified individual that reasonably believes that an eligible adult has been, is currently, or will be the subject of financial exploitation or attempted financial exploitation must notify the Securities Commissioner and APS. A broker-dealer, an investment adviser, or a qualified individual may notify a third party designated by the eligible adult and any other third party permitted under State or federal law or regulations, or the rules of a self-regulatory organization, so long as the third party is not suspected of financial exploitation, abuse, neglect, or other exploitation of the eligible adult.

The required notice must be given (1) within five days after the broker-dealer, investment adviser, or qualified individual develops the reasonable belief that the eligible adult has been, is currently, or will be the subject of financial exploitation or attempted financial exploitation or (2) immediately on confirmation that the eligible adult has been, is currently, or will be the subject of financial exploitation or attempted financial exploitation, if the confirmation is made before the five-day period expires. More than one such notification is not required for each occurrence.

A broker-dealer or an investment adviser may delay a disbursement from an account of an eligible adult or an account on which an eligible adult is a beneficiary if:

- the broker-dealer, the investment adviser, or a qualified individual reasonably believes, after initiating an internal review of the requested disbursement and any suspected financial exploitation, that the requested disbursement may result in the financial exploitation of an eligible adult; and
- the broker-dealer, the investment adviser, or a qualified individual, (1) within two business days after the requested disbursement, with specified exception, provides written notice of the reason for the delay to all parties authorized to transact business on the account and notifies the Securities Commissioner and the local department of social services and (2) continues an internal review of the suspected financial exploitation of the eligible adult.

The broker-dealer, investment adviser, or qualified individual (1) may not provide the required written notice to a party the broker-dealer, investment adviser, or qualified individual reasonably believes is engaging in the financial exploitation of the eligible adult but (2) must provide, on request, a status report of the internal review to the Securities Commissioner and APS.

A delay of disbursement expires when the broker-dealer or investment adviser determines that the disbursement will not result in the financial exploitation of the eligible adult, or 15 business days after the date of the disbursement request, whichever occurs first. The Securities Commissioner or APS may request the delay of a disbursement for up to 25 business days after the date of the original request. If a request is made, the delay must continue for 25 business days after the date of the original disbursement request unless the Securities Commissioner, APS, or a court of competent jurisdiction enters an order that terminates or extends the delay.

Immunity from Civil Liability: A broker-dealer, an investment adviser, or a qualified individual who provides notice to the Securities Commissioner or APS in good faith and by exercising reasonable care has immunity from any administrative or civil liability that might otherwise result from providing the notice. A broker-dealer or an investment adviser that delays a disbursement in good faith and exercising reasonable care also has immunity from any administrative or civil liability that might otherwise result from the delay.

Required Access to Records: A broker-dealer or an investment adviser must provide access to records that are relevant to the suspected financial exploitation of an eligible adult as part of the referral to the Securities Commissioner and APS or – at the request of the commissioner – to APS or a law enforcement agency. The records may include historical records as well as records that relate to the most recent transactions that may demonstrate the financial exploitation of an eligible adult. Any record made available under the bill is not a public record under the Maryland Public Information Act.

Required Disclosures from Fiduciary Institutions

A fiduciary institution is required to disclose certain financial records to an APS program that is investigating suspected financial abuse or financial exploitation. In addition, an APS agency or a law enforcement agency may share specified information with a fiduciary institution that made a report of suspected financial abuse or financial exploitation.

Additional Information

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

Designated Cross File: SB 753 (Senator Kramer) - Finance.

Information Source(s): Department of Human Services; Judiciary (Administrative Office of the Courts); Maryland Department of Labor; Maryland State's Attorneys' Association; Anne Arundel, Baltimore, Cecil, Frederick, Montgomery, and Somerset counties; Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2026
js/mcr Third Reader - March 19, 2026

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