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Judicial Proceedings Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

January 23, 2025

The Maryland State Senate Judicial Proceedings Committee
The Honorable William C. Smith, Jr.
2 East Miller Senate Building
Annapolis, Maryland 21401

Re: Senate Bill 126: *Estates and Trusts – Resignation of a Trustee - Notice*

Dear Chairman Smith and Members of the Committee,

Under current Maryland Estates and Trusts Code Ann. §14.5-705, unless a trust agreement specifies the method by which a trustee can resign from serving as trustee, in every case, a court must approve the resignation of the trustee.

In nearly all trust agreements prepared in recent years, a provision is included in the trust instrument stating that the trustee can resign after due notice to the appropriate parties. However, many older trust agreements do not specifically state that a trustee can resign. In these cases, the trustee must petition the court to approve the resignation. Petitioning the court can result in increased trust administration costs, as well as a delay in the effective administration of the trust.

Senate Bill 126 adds to our law an additional method for resigning as trustee. A trustee will be able to resign with 30 days' notice to the qualified beneficiaries of the trust, the settlor of the trust (if living), all co-trustees of the trust, and any person that currently has a right to replace or appoint a successor to the resigning trustee.

This bill thus fixes a minor technical glitch that currently exists in our estates and trusts law.

I appreciate the Committee's consideration of Senate Bill 126 and will be happy to answer any questions the Committee may have.