

SENATE BILL 571

N2

6lr3032
CF 6lr2651

By: **Senator Lee**

Introduced and read first time: February 4, 2016

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Trust Act – Nonjudicial Settlement Agreements**

3 FOR the purpose of authorizing, on or after a certain date, certain interested persons to
4 enter into a certain nonjudicial settlement agreement with respect to a matter
5 involving a trust; providing that the nonjudicial settlement agreement is valid only
6 to a certain extent; authorizing an interested person to request a court to make
7 certain determinations with respect to the agreement; defining a certain term; and
8 generally relating to the Maryland Trust Act and certain nonjudicial settlement
9 agreements.

10 BY adding to

11 Article – Estates and Trusts

12 Section 14.5–111

13 Annotated Code of Maryland

14 (2011 Replacement Volume and 2015 Supplement)

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

17 **Article – Estates and Trusts**

18 **14.5–111.**

19 **(A) IN THIS SECTION, “INTERESTED PERSON” MEANS A PERSON WHOSE**
20 **CONSENT WOULD BE REQUIRED IN ORDER TO ACHIEVE A BINDING SETTLEMENT**
21 **WERE THE SETTLEMENT TO BE APPROVED BY THE COURT.**

22 **(B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (C) OF THIS**
23 **SECTION, ON OR AFTER OCTOBER 1, 2016, INTERESTED PERSONS MAY ENTER INTO**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 A BINDING NONJUDICIAL SETTLEMENT AGREEMENT WITH RESPECT TO A MATTER
2 INVOLVING A TRUST.

3 (C) A NONJUDICIAL SETTLEMENT AGREEMENT IS VALID ONLY TO THE
4 EXTENT THE SETTLEMENT DOES NOT VIOLATE A MATERIAL PURPOSE OF THE TRUST
5 AND INCLUDES TERMS AND CONDITIONS THAT COULD BE PROPERLY APPROVED BY
6 THE COURT UNDER THIS TITLE OR OTHER APPLICABLE LAW.

7 (D) MATTERS THAT MAY BE RESOLVED BY A NONJUDICIAL SETTLEMENT
8 AGREEMENT INCLUDE:

9 (1) THE INTERPRETATION OR CONSTRUCTION OF THE TERMS OF THE
10 TRUST;

11 (2) THE APPROVAL OF A REPORT OR ACCOUNTING OF A TRUSTEE;

12 (3) DIRECTION TO A TRUSTEE TO REFRAIN FROM PERFORMING A
13 PARTICULAR ACT OR THE GRANT TO A TRUSTEE OF A NECESSARY OR DESIRABLE
14 POWER;

15 (4) THE RESIGNATION OR APPOINTMENT OF A TRUSTEE AND THE
16 DETERMINATION OF THE COMPENSATION OF A TRUSTEE;

17 (5) TRANSFER OF THE PRINCIPAL PLACE OF ADMINISTRATION OF A
18 TRUST; AND

19 (6) LIABILITY OF A TRUSTEE FOR AN ACTION RELATING TO THE
20 TRUST.

21 (E) AN INTERESTED PERSON MAY REQUEST THE COURT TO:

22 (1) DETERMINE WHETHER THE REPRESENTATION AS PROVIDED IN
23 SUBTITLE 3 OF THIS TITLE WAS ADEQUATE; AND

24 (2) DETERMINE WHETHER THE AGREEMENT CONTAINS TERMS AND
25 CONDITIONS THE COURT COULD HAVE PROPERLY APPROVED.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2016.