

title "Testamentary Law," subtitle "Wills"; and to repeal Article 75B of the said Code (1957 Edition and 1964 Supplement), title "Principal and Income," and to enact a new Article 75B in lieu thereof, to stand in the place of the Article 75B repealed, and to be entitled "Principal and Income" to adopt the Revised Uniform Principal and Income Act to provide for regulation of principal and income under inter-vivos and testamentary trusts in this State.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 305C of Article 93 of the Annotated Code of Maryland, (1935 Supplement), title "Testamentary Law," subtitle "Sales," as added by Chapter 495 of the Acts of 1929 and as prospectively repealed by Chapter 581 of the Acts of 1939, and Section 391 of Article 93 of the said Code (1957 Edition), title "Testamentary Law," subtitle "Wills," be and they are hereby repealed.

SEC. 2. *And be it further enacted,* That Article 75B of the said Code (1957 Edition and 1964 Supplement), title "Principal and Income," be and it is hereby repealed and that a new Article 75B be and it is hereby enacted in lieu thereof, to stand in the place of the Article 75B repealed, and to be entitled "Principal and Income," and to read as follows:

Article 75B

Principal and Income

1.

As used in this Article:

(1) "*income beneficiary*" means any person to whom income is presently payable or for whom it is accumulated for distribution as income;

(2) "*inventory value*" means the cost of property purchased by the trustee and the market value of other property at the time it became subject to the trust, decreased by the amount of any receipts, and increased by the amount of any disbursements, of principal cash in connection with such item of principal. In the case of assets subject to estate or inheritance tax the trustee may use as such market value any value finally determined for the purposes of such tax;

(3) "*remainderman*" means any person entitled to principal, including income which has been accumulated and added to principal;

(4) "*trustee*" means an original trustee and any successor or added trustee.

2.

(a) A trust shall be administered with due regard to the respective interests of income beneficiaries and remaindermen. A trust is so administered with respect to the allocation of receipts and expenditures if a receipt is credited or an expenditure is charged to income or principal or partly to each:

(1) in accordance with the terms of the trust instrument, notwithstanding contrary provisions of this Article;