

Estates and Trusts - Corrective

FOR the purpose of correcting certain errors in the revision of the law relating to the distribution of income during the administration of an estate and to presentation of claims against an estate.

BY repealing and reenacting, with amendments,

Article - Estates and Trusts
Section 7-304(b) (2) and 8-104(e)
Annotated Code of Maryland
(1974 Volume and 1976 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 7-304(b) (2) and 8-104(e) of Article - Estates and Trusts, of the Annotated Code of Maryland (1974 Volume and 1976 Supplement) be and they are hereby repealed and reenacted, with amendments, to read as follows:

Article - Estates and Trusts

7-304.

(b) Unless the will provides otherwise, income from the assets of an estate of a decedent after the death of the testator and before distribution, including income from property used to discharge liabilities, shall be determined in accordance with the rules applicable to a trustee under Subtitle 2 of Title 14 of this article and shall be distributed as follows:

(2) To all other legatees, except legatees (OTHER THAN A SURVIVING SPOUSE) of pecuniary legacies not in trust, the balance of the income, less taxes, ordinary repairs, and other expenses of management and operation relating to all other property from which the estate is entitled to income, the balance of interest accrued since the death of the decedent, and the balance of taxes imposed on income which accrue during the period of administration, in proportion to their respective interests in the undistributed property of the estate computed at the times of distribution on the basis of inventory value. This paragraph does not apply [to a surviving spouse or] to taxes on capital gains.

8-104.

(e) Notwithstanding the other provisions of this section, an action against the estate may be instituted after the expiration of the time designated in this section but within the period of limitations generally applicable to SUCH actions [against the estate] in the event the decedent was covered by an existing liability insurance policy at the time of the occurrence. The existence of insurance coverage is not admissible at the