

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

Article - Estates and Trusts

14-109.

(A) NONE OF THE FOLLOWING POWERS CONFERRED UPON A TRUSTEE BY THE GOVERNING INSTRUMENT MAY BE EXERCISED BY THAT TRUSTEE:

(1) THE POWER TO MAKE ANY DISCRETIONARY DISTRIBUTIONS OF EITHER PRINCIPAL OR INCOME TO OR FOR THE BENEFIT OF THE TRUSTEE IN ~~HIS~~ THE TRUSTEE'S INDIVIDUAL CAPACITY, UNLESS LIMITED BY AN ASCERTAINABLE STANDARD RELATING TO THE TRUSTEE'S HEALTH, EDUCATION, SUPPORT AND MAINTENANCE, AS DEFINED IN 26 U.S.C. §§ 2041 AND 2514 AND THE TREASURY REGULATIONS PROMULGATED UNDER THOSE SECTIONS;

(2) THE POWER TO MAKE ANY DISCRETIONARY DISTRIBUTIONS OF EITHER PRINCIPAL OR INCOME TO SATISFY ANY OF THE TRUSTEE'S LEGAL OBLIGATIONS IN THE TRUSTEE'S INDIVIDUAL CAPACITY FOR SUPPORT OR OTHER PURPOSES;

(3) THE POWER TO MAKE DISCRETIONARY ALLOCATIONS IN THE TRUSTEE'S FAVOR OF RECEIPTS OR EXPENSES AS BETWEEN INCOME AND PRINCIPAL;

(4) ANY POWER, IN WHATEVER CAPACITY HELD, TO REMOVE OR REPLACE ANY TRUSTEE WHO HOLDS ANY OF THE POWERS PROSCRIBED IN THIS SUBSECTION; OR

(5) THE POWER TO EXERCISE ANY OF THE POWERS PROSCRIBED IN THIS SUBSECTION WITH REGARD TO A BENEFICIARY OTHER THAN THE TRUSTEE TO THE EXTENT THAT SUCH BENEFICIARY COULD EXERCISE A SIMILAR PROHIBITED POWER IN CONNECTION WITH A TRUST WHICH BENEFITS THE TRUSTEE.

(B) IF A TRUSTEE IS PROHIBITED BY SUBSECTION (A)(1) OF THIS SECTION FROM EXERCISING A POWER CONFERRED UPON THE TRUSTEE, THE TRUSTEE MAY NEVERTHELESS EXERCISE THE POWER EXCEPT THAT THE TRUSTEE'S EXERCISE OF THAT POWER SHALL BE LIMITED BY AN ASCERTAINABLE STANDARD RELATING TO THE TRUSTEE'S HEALTH, EDUCATION, SUPPORT AND MAINTENANCE, AS DEFINED IN 26 U.S.C. §§ 2041 AND 2514 AND THE TREASURY REGULATIONS PROMULGATED UNDER THOSE SECTIONS.

(C) IF THE GOVERNING INSTRUMENT CONTAINS A POWER DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, AND THERE IS NO TRUSTEE WHO CAN EXERCISE SUCH POWER, UPON APPLICATION OF ANY PARTY IN INTEREST, A COURT MAY APPOINT A TRUSTEE WHO IS NOT OTHERWISE DISQUALIFIED UNDER THIS SECTION TO EXERCISE ANY SUCH POWER DURING THE PERIOD OF TIME THAT THE COURT DESIGNATES.

(D) THIS SECTION DOES NOT APPLY IF: