

Section 15-515, 15-520, and 15-528

Annotated Code of Maryland

(2001 Replacement Volume and 2001 Supplement)

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

Article - Estates and Trusts

15-501.

(O) "UNITRUST" MEANS A TRUST FROM WHICH THE INCOME BENEFICIARY IS ENTITLED TO RECEIVE ANNUALLY A FIXED PERCENTAGE OF THE FAIR MARKET VALUE OF THE TRUST'S ASSETS.

15-502.1.

(A) A TRUSTEE MAY CONVERT A TRUST INTO A UNITRUST AS DESCRIBED IN THIS SECTION IF:

(1) THE TRUSTEE RECEIVES A WRITTEN REQUEST FROM A BENEFICIARY TO EXERCISE THE POWER CONFERRED BY THIS SUBSECTION TO CONVERT TO A UNITRUST;

(2) THE TRUSTEE INVESTS AND MANAGES THE TRUST ASSETS IN THE MANNER SET FORTH IN § 15-114 (B) AND (C) OF THIS TITLE;

(3) THE TRUSTEE DETERMINES THAT THE CONVERSION WILL ENABLE THE TRUSTEE TO BETTER CARRY OUT THE INTENT OF THE PERSON WHO CREATED THE TRUST AND THE PURPOSES OF THE TRUST; AND

(4) (I) THE TRUSTEE COMPLIES WITH THE NOTICE REQUIREMENTS OF § 15-502.3 OF THIS SUBTITLE AND ALL QUALIFIED BENEFICIARIES CONSENT; OR

(II) A COURT REVIEWS A PETITION FILED UNDER § 15-502.3 OF THIS SUBTITLE AND APPROVES THE PROPOSED DECISION ~~TO RELEASE THE POWER TO ADJUST AND~~ TO CONVERT TO A UNITRUST.

(B) IN DECIDING WHETHER TO EXERCISE THE POWER CONFERRED BY SUBSECTION (A) OF THIS SECTION, A TRUSTEE SHALL CONSIDER ALL FACTORS RELEVANT TO THE TRUST AND ITS BENEFICIARIES, INCLUDING THE FOLLOWING FACTORS TO THE EXTENT THEY ARE RELEVANT:

(1) THE NATURE, PURPOSE, AND EXPECTED DURATION OF THE TRUST;

(2) THE INTENT OF THE CREATOR OF THE TRUST;

(3) THE IDENTITY AND CIRCUMSTANCES OF THE BENEFICIARIES;

(4) THE NEEDS FOR LIQUIDITY, REGULARITY OF INCOME, AND PRESERVATION AND APPRECIATION OF CAPITAL;

(5) THE ASSETS HELD IN THE TRUST AND: