As Passed by the Senate

125th General Assembly Regular Session 2003-2004

Am. Sub. H. B. No. 51

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Representatives Hughes, Willamowski, Oelslager, Harwood, Book, Brown, Carmichael, C. Evans, Fessler, Flowers, Gilb, Hartnett, Latta, Martin, McGregor, T. Patton, Perry, Reidelbach, Schmidt, Schneider, Skindell, S. Smith, D. Stewart, Yates

ABILL

To amend sections 2106.01, 2106.02, 2107.19, 1 2109.301, 2109.32, 2113.53, 2117.06, 2117.07, 2117.11, and 2117.12 and to enact section 2101.163 3 of the Revised Code relative to the election by a 4 surviving spouse, notice of admission of a will to 5 probate, accounts of administrators and executors, 6 distribution of estate assets, presentation of creditors' claims to distributees, dispute 8 resolution procedures in probate court, and time 9 for presenting claims against an estate. 10

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

civil action or proceeding that is within the jurisdiction of the

Section 1. That sections 2106.01, 2106.02, 2107.19, 2109.301,	11
2109.32, 2113.53, 2117.06, 2117.07, 2117.11, and 2117.12 be	12
amended and section 2101.163 of the Revised Code be enacted to	13
read as follows:	14
Sec. 2101.163. (A) A probate judge may establish by rule	15
procedures for the resolution of disputes between parties to any	16

probate court. Any procedures so adopted shall include, but are	18
not limited to, mediation. If the probate judge establishes any	19
procedures under this division, the probate judge may charge, in	20
addition to the fees and costs authorized under section 2101.16 of	21
the Revised Code, a reasonable fee, not to exceed fifteen dollars,	22
that is to be collected on the filing of each action or proceeding	23
and that is to be used to implement the procedures.	24
(B) The probate court shall pay to the county treasurer of	25
the county in which the court is located all fees collected under	26
division (A) of this section. The treasurer shall place the funds	27
from the fees in a separate fund to be disbursed upon an order of	28
the probate judge.	29
(C) If the probate judge determines that the amount of the	30
moneys in the fund described in division (B) of this section is	31
more than the amount that is sufficient to satisfy the purpose for	32
which the additional fee described in division (A) of this section	33
was imposed, the probate judge may declare a surplus in the fund	34
and expend the surplus moneys for other appropriate judicial	35
expenses of the probate court.	36
Sec. 2106.01. (A) After the initial appointment of an	37
administrator or executor of the estate, the probate court shall	38
issue a citation to the surviving spouse, if any is living at the	39
time of the issuance of the citation, to elect whether to exercise	40
the surviving spouse's rights under Chapter 2106. of the Revised	41
Code, including, after the probate of a will, the right to elect	42
to take under the will or under section 2105.06 of the Revised	43
Code.	44
A surviving spouse may waive the service of the citation	45
required under this division by filing in the probate court a	46

written waiver of the citation. The waiver shall include an

acknowledgment of receipt of the description of the general rights	48
of the surviving spouse required by division (B) of section	49
2106.02 of the Revised Code.	50

- (B) If the surviving spouse elects to take under section 51 2105.06 of the Revised Code and if the value of the property that 52 the surviving spouse is entitled to receive is equal to or greater 53 than the value of the decedent's interest in the mansion house as 54 determined under section 2106.10 of the Revised Code, the 55 surviving spouse also is entitled to make an election pursuant to 56 division (A) of section 2106.10 of the Revised Code. 57
- (C) If the surviving spouse elects to take under section 58 2105.06 of the Revised Code, the surviving spouse shall take not 59 to exceed one-half of the net estate, unless two or more of the 60 decedent's children or their lineal descendants survive, in which 61 case the surviving spouse shall take not to exceed one-third of 62 the net estate.

For purposes of this division, the net estate shall be

determined before payment of federal estate tax, estate taxes

under Chapter 5731. of the Revised Code, or any other tax that is

subject to apportionment under section 2113.86 or 2113.861 of the

Revised Code.

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(D) Unless the will expressly provides that in case of an 69 election under division (A) of this section there shall be no 70 acceleration of remainder or other interests bequeathed or devised 71 by the will, the balance of the net estate shall be disposed of as 72 though the surviving spouse had predeceased the testator. If there 73 is a disposition by a will to an inter vivos trust that was 74 created by the testator, if under the terms of the trust the 75 surviving spouse is entitled to any interest in the trust or is 76 granted any power or nomination with respect to the trust, and if 77 the surviving spouse makes an election to take under section 78

2105.06 of the Revised Code, then, unless the trust instrument provides otherwise, the surviving spouse is deemed for purposes of the trust to have predeceased the testator, and there shall be an acceleration of remainder or other interests in all property bequeathed or devised to the trust by the will, in all property held by the trustee at the time of the death of the decedent, and in all property that comes into the hands of the trustee by reason of the death of the decedent.

(E) The election of a surviving spouse to take under a will or under section 2105.06 of the Revised Code may be made at any time after the death of the decedent, but the surviving spouse shall not make the election later than five months from the date of the initial appointment of an administrator or executor of the estate. On a motion filed before the expiration of the five-month period, and for good cause shown, the court may allow further time for the making of the election. If no action is taken by the surviving spouse before the expiration of the five-month period, it is conclusively presumed that the surviving spouse elects to take under the will. The election shall be entered on the journal of the court.

When proceedings for advice or to contest the validity of a will are begun within the time allowed by this division for making the election, the election may be made within three months after the final disposition of the proceedings, if the will is not set aside.

(F) When a surviving spouse succeeds to the entire estate of the testator, having been named the sole devisee and legatee, it 105 shall be presumed that the spouse elects to take under the will of the testator, unless the surviving spouse manifests a contrary 107 intention.

to in section 2106.01 of the Revised Code shall be sent to <u>served</u>	110
on the surviving spouse by certified mail pursuant to Civil Rule	111
73. Notice that the citation has been issued by the court shall be	112
given to the administrator or executor of the estate of the	113
deceased spouse.	114

- (B) The citation shall be accompanied by a general 115 description of the effect of the election to take under the will 116 or under section 2105.06 of the Revised Code and the general 117 rights of the surviving spouse under Chapter 2106. of the Revised 118 Code. The description shall include a specific reference to the 119 procedures available to the surviving spouse under section 2106.03 120 of the Revised Code and to the presumption that arises if the 121 surviving spouse does not make the election in accordance with 122 division (E) of section 2106.01 of the Revised Code. The 123 description of the general rights of the surviving spouse under 124 Chapter 2106. of the Revised Code shall include a specific 125 reference to the presumption that arises if the surviving spouse 126 does not make exercise the election rights under Chapter 2106. of 127 the Revised Code within the time period specified by section 128 2106.25 of the Revised Code. The description of the effect of the 129 election and of the general rights of the surviving spouse need 130 not relate to the nature of any particular estate. 131
- (C) A surviving spouse electing to take under the will may
 manifest the election in writing within the times described in
 division (E) of section 2106.01 of the Revised Code.

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- Sec. 2107.19. (A)(1) Subject to divisions (A)(2) and (B) of this section, when a will has been admitted to probate, the 136 fiduciary for the estate or another person specified in division 137 (A)(4) of this section shall, within two weeks of the admission of the will to probate, give a notice as described in this division 139 and in the manner provided by Civil Rule 73(E) to the surviving 140

spouse of the testator, to all persons who would be entitled to 141 inherit from the testator under Chapter 2105. of the Revised Code 142 if the testator had died intestate, and to all legatees and 143 devisees named in the will. The notice shall mention the probate 144 of the will and, if a particular person being given the notice is 145 a legatee or devisee named in the will, shall state that the 146 person is named in the will as beneficiary. A copy of the will 147 admitted to probate is not required to be given with the notice. 148

- (2) A person entitled to be given the notice described in 149 division (A)(1) of this section may waive that right by filing a 150 written waiver of the right to receive the notice in the probate 151 court. The person may file the waiver of the right to receive the 152 notice at any time prior to or after the will has been admitted to 153 probate.
- (3) The fact that the notice described in division (A)(1) of 155 this section has been given, subject to division (B) of this 156 section, to all persons described in division (A)(1) of this 157 section who have not waived their right to receive the notice, 158 and, if applicable, the fact that certain persons described in 159 that division have waived their right to receive the notice in 160 accordance with division (A)(2) of this section, shall be 161 evidenced by a certificate that shall be filed in the probate 162 court in accordance with division (A)(4) of this section. 163
- (4) The notice of the admission of the will to probate 164 required by division (A)(1) of this section and the certificate of 165 giving notice or waiver of notice required by division (A)(3) of 166 this section shall be given or filed by the fiduciary for the 167 estate or by the applicant for the admission of the will to 168 probate, the applicant for a release from administration, any 169 other interested person, or the attorney for the fiduciary or for 170 any of the preceding persons. The certificate of giving notice 171

Every account shall include an itemized statement of all 197 receipts of the administrator or executor during the accounting 198 period and of all disbursements and distributions made by the 199 executor or administrator during the accounting period. In 200 addition, the account shall include an itemized statement of all 201 funds, assets, and investments of the estate known to or in the 202

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the administration of the estate or within any other period of

time that the court may order.

assets of the estate or trust in accordance with the law or the

instrument governing distribution, as shown in the account, the

court shall order the account approved and settled and may order

the fiduciary discharged. Upon approval of a final and

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executor or administrator distributes any part of the assets of

the estate more than three months but less than one year after the

death of the decedent, the executor or administrator shall be

personally liable only to those claimants who present their claims

before the time of distribution and within the time set forth in

division (B) of section 2117.06 of the Revised Code.

The executor or administrator shall be liable only to the 392 extent that the sum of the remaining assets of the estate and the 393 assets returned by the beneficiaries or heirs is insufficient to 394 satisfy the share of the surviving spouse and to satisfy the 395 claims against the estate. The executor or administrator shall not 396 be liable in any case for an amount greater than the value of the 397 estate that existed at the time that the distribution of assets 398 was made and that was subject to the spouse's share or to the 399 claims. 400

(D) The executor or administrator may provide for the payment 401 of rejected claims or claims in suit by setting aside a sufficient 402 amount of the assets of the estate for paying the claims. The 403 assets shall be set aside for the payment of the claims in a 404 manner approved by the probate court. Each claimant for whom 405 assets are to be set aside shall be given notice, in the manner as 406 the court shall order, of the hearing upon the application to set 407 aside assets and shall have the right to be fully heard as to the 408 nature and amount of the assets to be set aside for payment of the 409 claim and as to all other conditions in connection with the claim. 410 In any case in which the executor or administrator may set aside 411 assets as provided in this section, the court, upon its own motion 412 or upon application of the executor or administrator, as a 413 condition precedent to any distribution, may require any 414 beneficiary or heir to give a bond to the state with surety 415 approved and in an amount fixed by the court, conditioned to 416 secure the return of the assets to be distributed, or the proceeds 417

- (B) Except as provided in section 2117.061 of the Revised 448 Code, all claims shall be presented within one year six months 449 after the death of the decedent, whether or not the estate is 450 released from administration or an executor or administrator is 451 appointed during that one year six-month period. Every claim 452 presented shall set forth the claimant's address. 453
- (C) Except as provided in section 2117.061 of the Revised 454 Code, a claim that is not presented within one year six months 455 after the death of the decedent shall be forever barred as to all 456 parties, including, but not limited to, devisees, legatees, and 457 distributees. No payment shall be made on the claim and no action 458 shall be maintained on the claim, except as otherwise provided in 459 sections 2117.37 to 2117.42 of the Revised Code with reference to 460 contingent claims. 461
- (D) In the absence of any prior demand for allowance, the 462 executor or administrator shall allow or reject all claims, except 463 tax assessment claims, within thirty days after their 464 presentation, provided that failure of the executor or 465 administrator to allow or reject within that time shall not 466 prevent the executor or administrator from doing so after that 467 time and shall not prejudice the rights of any claimant. Upon the 468 allowance of a claim, the executor or the administrator, on demand 469 of the creditor, shall furnish the creditor with a written 470 statement or memorandum of the fact and date of the allowance. 471
- (E) If the executor or administrator has actual knowledge of 472 a pending action commenced against the decedent prior to the 473 decedent's death in a court of record in this state, the executor 474 or administrator shall file a notice of the appointment of the 475 executor or administrator in the pending action within ten days 476 after acquiring that knowledge. If the administrator or executor 477 is not a natural person, actual knowledge of a pending suit 478 against the decedent shall be limited to the actual knowledge of 479

claims against the estate.

(K) If the executor or administrator makes a distribution of 511 the assets of the estate pursuant to section 2113.53 of the 512 Revised Code and prior to the expiration of the time for the 513 filing presentation of claims as set forth in this section, the 514 executor or administrator shall provide notice on the account 515 delivered to each distributee that the distributee may be liable 516 to the estate if a claim is presented prior to the filing of the 517 final account and may be liable to the claimant if the claim is 518 presented after the filing of the final account up to the value of 519 the distribution and may be required to return all or any part of 520 the value of the distribution if a valid claim is subsequently 521 522 made against the estate within the time permitted under this section. 523

Sec. 2117.07. An executor or administrator may accelerate the 524 bar against claims against the estate established by section 525 2117.06 of the Revised Code by giving written notice to a 526 potential claimant that identifies the decedent by name, states 527 the date of the death of the decedent, identifies the executor or 528 administrator by name and mailing address, and informs the 529 potential claimant that any claims he the claimant may have 530 against the estate are required to be presented to the executor or 531 administrator in a writing within the earlier of thirty days after 532 receipt of the notice by the potential claimant or one year six 533 months after the date of the death of the decedent. A claim of 534 that potential claimant that is not presented in the manner 535 provided by section 2117.06 of the Revised Code within the earlier 536 of thirty days after receipt of the notice by the potential 537 claimant or one year six months after the date of the death of the 538 decedent is barred by section 2117.06 of the Revised Code in the 539 same manner as if it was not presented within one year six months 540 after the date of the death of the decedent. 541

Sec. 2117.11. An executor or administrator, or a distributee	542
who receives the presentation of a claim as provided in division	543
(A)(2) of section 2117.06 of the Revised Code, shall reject a	544
creditor's claim against the estate he represents by giving the	545
claimant written notice of the disallowance thereof of the claim.	546
Such The notice shall be given to the claimant personally or by	547
registered mail with return receipt requested, addressed to the	548
claimant at the address given on the claim pursuant to Civil Rule	549
73. Notice by mail shall be effective on delivery of the mail at	550
the address given. A claim may be rejected in whole or in part. A	551
claim which that has been allowed may be rejected at any time	552
thereafter after allowance of the claim.	553

A claim is rejected if the executor or administrator, or a 554 distributee who receives the presentation of a claim as provided 555 in division (A)(2) of section 2117.06 of the Revised Code, on 556 demand in writing by the claimant for an allowance thereof of the 557 <u>claim</u> within five days, which demand may be made at presentation 558 or at any time thereafter after presentation, fails to give to the 559 claimant, within such that five-day period, a written statement of 560 the allowance of such the claim. Such The rejection shall become 561 effective at the expiration of such that period. 562

Sec. 2117.12. When a claim against an estate has been 563 rejected in whole or in part but not referred to referees, or when 564 a claim has been allowed in whole or in part and thereafter 565 rejected, the claimant must commence an action on the claim, or 566 that part thereof of the claim that was rejected, within two 567 months after such the rejection if the debt or that part thereof 568 of the debt that was rejected is then due, or within two months 569 after the same that debt or part of the debt that was rejected 570 becomes due, or be forever barred from maintaining an action 571 thereon on the claim or part of the claim that was rejected. If 572

be effective October 31, 2001.

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the executor or administrator dies, resigns, or is removed within	573
such two months that two-month period and before action is	574
commenced thereon on the claim or part of the claim that was	575
rejected, the action may be commenced within two months after the	576
appointment of a successor.	577
For the purposes of this section, the action of a claimant is	578
commenced when the petition complaint and praecipe for service of	579
summons on the executor or administrator, or on the distributee	580
who received the presentation of the claim as provided in division	581
(A)(2) of section 2117.06 of the Revised Code, have been filed.	582
Section 2. That existing sections 2106.01, 2106.02, 2107.19,	583
2109.301, 2109.32, 2113.53, 2117.06, 2117.07, 2117.11, and 2117.12	584
of the Revised Code are hereby repealed.	585
Section 3. (A) Sections 2106.01, 2106.02, 2107.19, 2109.301,	586
2109.32, 2113.53, 2117.06, 2117.07, 2117.11, and 2117.12 of the	587
Revised Code, as amended by this act, apply to estates that are in	588
existence or are initiated on or after the effective date of this	589
act.	590
(B) Section 2101.163 of the Revised Code, as enacted by this	591
act, applies to civil actions and proceedings that are pending in	592
or brought before the probate court on or after the effective date	593
of this act.	594
Section 4. It is hereby declared that it was the intent of	595
the General Assembly that the sections of the Revised Code	596
described in Section 2 of Sub. H.B. 85 of the 124th General	597
Assembly were to be repealed effective December 31, 2001, to	598
coincide with Section 5 of Sub. H.B. 85 of the 124th General	599
Assembly, and that the repeal of such Revised Code sections in	600
Section 2 of Sub. H.B. 85 of the 124th General Assembly was not to	601