

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3540-04
Bill No.: HCS for HB 1511
Subject: Attorneys: Estates, Wills, and Trusts
Type: Original
Date: March 30, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue - Division of Taxation, Office of Administration - Division of Budget and Planning, Department of Social Services, Department of Health and Senior Services**, and the **Department of Economic Development - Division of Finance and Division of Credit Unions** stated this proposal would have no fiscal impact on their agencies.

In response to the introduced version of this proposal, officials from the **Office of Attorney General** assumed that any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **Office of State Courts Administrator** stated this proposal would have no fiscal impact on the Courts.

Officials from the **Office of Secretary of State (SOS)** assumed the rules, regulations and forms issued by the Director of Finance could require as many as 34 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$2,091 for FY 2005. The impact of this legislation in

ASSUMPTION (continued)

future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses dealing with estates, wills, or trusts could expect fiscal impact as a result of this proposal.

DESCRIPTION

This proposal enacts the Missouri Uniform Trust Code which includes the following provisions:

- (1) Sets general provisions and definitions regarding trust administration;
- (2) Establishes rules regarding court jurisdiction and venue for actions concerning trusts;
- (3) Provides rules for the representation of minor, unborn, and unascertained beneficiaries and other interested persons by fiduciaries in judicial and non-judicial contexts;
- (4) Specifies the requirements for creating, modifying, and terminating trusts;
- (5) Sets provisions regarding the ability of creditors of trust settlers or beneficiaries to reach trust assets, including the effect of spendthrift clauses;

DESCRIPTION (continued)

(6) Sets and clarifies provisions relating to revocable trusts, including a settler's necessary legal capacity to create a valid revocable trust, a presumption that trusts are revocable unless otherwise specified, and requirements for trust amendments and revocations;

(7) Contains default rules for dealing with the office of trustee, which may be modified by the terms of the trust;

(8) Details the fiduciary duties of trustees and enumerates trustees' powers; and

(9) Specifies the liability of trustees and the rights of persons dealing with trustees.

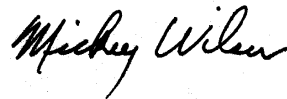
The proposal creates a rebuttable presumption of undue influence for certain asset transfers to in-home health care providers who are not closely related to the grantor.

The proposal also moves the Missouri Prudent Investor Act and the Missouri Principal and Income Act from Chapter 456, RSMo, to Chapter 469.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
 Division of Finance
 Division of Credit Unions
Office of Secretary of State
 Administrative Rules Division
Office of State Courts Administrator
Department of Social Services
Department of Revenue
Office of Attorney General
Office of Administration
 Division of Budget and Planning
Department of Health and Senior Services



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