

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3706-01
Bill No.: HB 1184
Subject: Guardians: Estates, Wills, Trusts
Type: Original
Date: February 20, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume there will be no fiscal impact on the Courts.

Officials from the following agencies indicated this proposed legislation would have no fiscal impact on their respective agencies: **Department of Economic Development - Division of Finance and Division of Credit Unions; Department of Insurance; Department of Social Services - Division of Medical Services and Division of Legal Services.**

According to officials from the **Department of Socials Services - Division of Medical Services**, Section 475.092 of this proposed legislation allows an inter vivos trust to be established for a person who is blind or has a physical or mental disability. Currently it states only a minor or disabled person may have an inter vivos trust set up. It still states that upon the person's death, after payment of trustees fees, Missouri Medicaid will be reimbursed from the trust for medical assistance paid on the person's behalf. Since this has not changed, the Division of Medical Services does not expect this to affect Third Party Liability recoveries; therefore it will not have a fiscal impact on Medicaid.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION


This proposed legislation changes the Missouri Uniform Trust Code by redefining "power of withdrawal" to allow a beneficiary to withdraw assets from a trust without the consent of the trustee or any other person where consent is currently required. The settler of the trust is authorized to designate one or more persons to receive notification of the existence of the trust and of their right to request reports and other information related to the administration of the trust. Currently, a trustee may provide notice, information, or reports to any person who is a relative of the designated person. The provisions of Section 456.1-112, RSMo, will not be applicable to any trust for which a gift tax marital deduction has been claimed or allowed.

The proposal also makes Section 456.4-411B applicable to trusts that become irrevocable on or after January 1, 2005, and Section 456.590 applicable to all trusts that become irrevocable prior to January 1, 2005. The doctrine of worthier title and the Rule in Bingham's case as a rule of law and as a rule of construction is abolished.

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
Department of Insurance
Office of State Courts Administrator
Department of Social Services
 Division of Legal Services
 Division of Medical Services

A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 20, 2006