

HB 1184 -- MISSOURI UNIFORM TRUST CODE

SPONSOR: Stevenson

COMMITTEE ACTION: Voted "do pass" by the Committee on Judiciary by a vote of 12 to 0.

This bill makes changes to the Missouri Uniform Trust Code. In its main provisions, the bill:

- (1) Revises the statutes to reflect recent changes in Uniform Trust Code at the national level by limiting a settlor's ability to represent and bind beneficiaries in actions to amend or terminate trusts and adds a definition of "mandatory distribution";
- (2) Changes cross references in the statute to conform with the Missouri Prudent Investor Act;
- (3) Prevents special needs trusts from being subject to termination by agreement of the settlor and beneficiaries;
- (4) Protects discretionary interests in a trust from creditors;
- (5) Abolishes the Doctrine of Worthier Title to prevent inadvertent disqualification of special needs trusts;
- (6) Redefines "power of withdrawal";
- (7) Modifies notice requirements for charitable beneficiaries; and
- (8) Allows qualified beneficiaries to represent other beneficiaries in actions to modify trust administrative provisions.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the bill revises the statutes to reflect the current practices in estates and trusts law. The bill changes Missouri Uniform Trust Code to conform with technical changes made on the federal level, corrects cross references to the Missouri Prudent Investor Act, and allows courts to create and enforce trust agreements more effectively.

Testifying for the bill were Representative Pratt for Representative Stevenson; and The Board of Governors of The Missouri Bar.

OPPONENTS: Those who oppose the bill say that it is unclear in dealing with the powers of withdrawal and revocation of trusts. The mechanisms in the bill for judging incompetence of the settlor of a trust is not clearly defined.

Testifying against the bill was Missouri Land Title Association.

Alex Curchin, Legislative Analyst