

SCS SB 1235 -- MISSOURI UNIFORM TRUST CODE

SPONSOR: Justus (Pratt)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Judiciary by a vote of 10 to 0.

This substitute adds United States government obligations, either directly or in the form of fully collateralized securities of any open- or closed-end management type investment company or trust registered pursuant to the Investment Company Act of 1940, to the types of securities in which a trustee may invest and reinvest trust assets under the Missouri Uniform Trust Code. Any bank or trust company when acting as an investment advisor or custodian in a fiduciary capacity with respect to the investment of trust assets will be subject to the Missouri Prudent Investor Act.

FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

PROPONENTS: Supporters say that the bill makes three technical changes to the Missouri Uniform Trust Code. The bill makes the Prudent Investor Act standards applicable to the trust code, corrects an intersectional reference, and allows investment in mutual funds investing in governmental securities. Many trustees believed that the act only allowed direct investment in governmental-backed securities and not mutual fund portfolios that invested in the securities. The bill explicitly allows mutual fund investment by trustees.

Testifying for the bill were Senator Justus; Stinson, Morrison, Hecker, LLP; and Missouri Bankers Association.

OPPONENTS: There was no opposition voiced to the committee.