

HB 399 -- Missouri Uniform Trust Code

Sponsor: Diehl

This bill changes the laws regarding the Missouri Uniform Trust Code. In its main provisions, the bill:

(1) Allows certain trustees to move trust assets from a first trust to a second trust if the trustee of the first trust determines that moving the trust assets to the second trust is necessary or desirable after considering the terms and purposes of the first and second trusts and the consequences of the move;

(2) Specifies that a second trust can only have beneficiaries who were eligible to receive income or principal under the first trust or may in the future receive income or principal from the first trust;

(3) Prohibits a trustee from moving trust assets to a second trust if the trustee is a beneficiary of the first trust or if a beneficiary can remove and replace the trustee of the first trust with a person who is related to that beneficiary;

(4) Prohibits a trustee from moving trust assets to a second trust if it would increase the distributions to the trustee or to a beneficiary who could replace the trustee or if it would remove restrictions that were in the document creating the first trust;

(5) Specifies that moving trust assets cannot reduce any income interest of an income beneficiary of a trust for which a marital deduction has been taken for federal or state tax purposes, a charitable remainder trust, a grantor retained annuity trust, or a Subchapter S trust or an electing small business trust;

(6) Specifies that a spendthrift clause or a provision in the first trust prohibiting amendment or revocation of the first trust cannot prevent the trustee from moving trust assets from the first trust to the second trust;

(7) Requires the trustee of the first trust to notify the permissible distributees or the qualified beneficiaries of the second trust at least 60 days prior to making a discretionary distribution;

(8) Specifies that a trustee does not have a duty to move trust assets from a second trust;

(9) Specifies that a creditor of a person who creates a trust may not reach that person's interest in the trust regardless of whether the person retains the ability to dispose of his or her

interest through a testamentary power of appointment; and

(10) Prohibits a creditor of certain beneficiaries of a trust from attaching trust property or beneficial interest, obtaining a court order forcing a judicial sale, compelling the exercise of the power, or reaching the trust property or beneficial interests by any other means to satisfy the beneficiary's debts.