

HB 1650 -- TRUST INSTRUMENTS

SPONSOR: Cornejo

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Judiciary by a vote of 8 to 0. Voted "Do Pass" by the Rules-Legislative Oversight Committee by a vote of 13 to 0.

This bill specifies how a health savings account may be created. Currently, a trustee of a trust consisting of trust property having a total value less than \$100,000 may, after notice to qualified beneficiaries, terminate the trust if the trustee concludes that the value of the trust property is insufficient to justify the cost of administration. This bill increases the dollar amount to less than \$250,000.

Finally, there are currently certain circumstances under which a no-contest clause, in a trust instrument is unenforceable against an interested person. This bill adds the following circumstances:

- (1) Filing a motion, pleading, or other claim for relief concerning breach of trust by a trustee; and
- (2) Filing a motion, pleading, or other claim for relief concerning removal of a trustee.

This bill is the same as SCS HCS HB 427 (2017).

PROPOSERS: Supporters say that this bill would allow employers to close HSAs if employees do not take employment with the employer and the HSA has only cents in it. Additionally, it is important to have exceptions to the no-contest clause because there are times when trustees intentionally do not do what is required of them and they know they are protected if someone tries to challenge the conduct. There are already statutory remedies, but overly broad no-contest clauses limit people's access to the remedies. There are 34 other states that already provide this sort of protection.

Testifying for the bill were Representative Cornejo; Michael Blanton; and the Missouri Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.