

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4457-01  
Bill No.: SB 1087  
Subject: Courts; Estates, Wills, and Trusts; Guardians; Uniform Laws  
Type: Original  
Date: March 27, 2006

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**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

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

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

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Economic Development – Division of Finance, Department of Social Services,** and the **Department of Insurance** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

**Officials from the Office of the Attorney General did not respond to Oversight’s request for fiscal impact.**

<b><u>FISCAL IMPACT - State Government</u></b>	<b>FY 2007 (10 Mo.)</b>	<b>FY 2008</b>	<b>FY 2009</b>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	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

The proposed legislation changes the Missouri Uniform Trust Code by redefining “power of withdrawal” as the power of a beneficiary to withdraw assets from a trust without the consent of the trustee or any other person, where consent is currently required. The proposal also redefines “revocable,” for purposes of a trust, to provide that the settlor has the power to revoke the trust regardless of whether the settlor has the mental capacity to do so in fact.

The proposal also provides that the settlor 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.

The provisions of Section 456.1-112, which provide that beneficial terms in favor of a settlor’s spouse will be revoked on the date that the marriage is dissolved or annulled, will not be applicable to any trust for which a gift tax marital deduction has been claimed or allowed.

A beneficiary who is not a qualified beneficiary may be represented and bound by a qualified beneficiary, as long as there is no conflict of interest between such persons with regard to the question or dispute.

Noncharitable irrevocable trusts may be modified or terminated upon consent of the settlor and all beneficiaries without court approval, unless the trust has been established by a court under certain provisions of law.

DESCRIPTION (continued)

The proposal also makes Section 456.4-411B, which provides that the court may terminate or modify the terms of a noncharitable trust in certain instances, applicable to trusts that become irrevocable on or after January 1, 2005, and makes Section 456.590, which allows the court to confer certain powers on trustees in certain instances, applicable to all trusts that become irrevocable prior to January 1, 2005.

A beneficiary's interest in a trust that is subject to the trustee's discretion shall not constitute an interest in property or enforceable right. A creditor or claimant may not attach distributions from such a right, if it exists, regardless of whether or not the interest is subject to a spendthrift provision.

Additionally, the proposal abolishes the doctrine of worthier title and the Rule in Bingham's case as a rule of law and as a rule of construction.

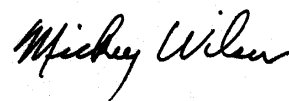
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator  
Department of Economic Development  
– Division of Finance  
Department of Social Services  
Department of Insurance

NOT RESPONDING

**Office of the Attorney General**



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