

SESSION OF 2006

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2607

As Amended by House Committee on
Judiciary

Brief*

HB 2607 would amend the law regarding trusts to codify existing trust law practices, reduce the need to resort to court proceedings and enhance the rights of trust beneficiaries to protect their beneficial interests. Provisions of the bill would include the following:

- Power of withdrawal would exclude exercise by a trustee.
- Qualified beneficiary would include not only current distributees but also a distributee of trust income or principal, if the trust is terminated on that date.
- Provisions of trusts which could be merged or divided, would not have to be identical, if the interests of each beneficiary is substantially unchanged by the division or merger.
- An exception to the prohibition on self dealing would be created for certain investments in mutual funds in which the trustee or its affiliate, provides services in a capacity other than as trustee.
- Many of the provisions are clarifying and technical in nature.

Background

Mark Knackendoffel testified in support of the bill on behalf of the Judicial Council Probate Law Advisory Committee. Daryl Craft, of GTRUST spoke in support of the measure for the Kansas Bankers Association Trust Division.

The fiscal note indicates that the Office of Judicial Administration states that the passage of HB 2607 could potentially bring more cases before the district courts. However the increase in the number of

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

cases is not expected to be significant. The fiscal effect of HB 2607 would likely be negligible.