

CHAPTER 1081

TRUSTS, TRUST PETITIONS, AND TRUST PROCEEDINGS

H.F. 2517

AN ACT relating to trusts, including irrevocable trusts, trust petitions, and trust proceedings.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. [Section 633A.2203, subsection 5](#), Code 2024, is amended to read as follows:

5. A spendthrift provision, or a provision giving the trustee discretion to distribute income or principal to a beneficiary or among beneficiaries, ~~in the terms of the trust is presumed to constitute a material purpose of the trust may help implement a material purpose of the settlor.~~ A spendthrift provision, or a provision giving the trustee discretion to distribute income or principal to a beneficiary or among beneficiaries, is enforceable against beneficiaries and third parties that attempt to force the trustee to act or to reach trust assets. A spendthrift provision, or a provision giving the trustee discretion to distribute income or principal to a beneficiary or among beneficiaries, does not create a presumption that the settlor would not want the trust to be modified or terminated when all of the beneficiaries consent and if circumstances not anticipated by the settlor indicate that the best interests of the beneficiaries as a class will be better served if the trust is modified or terminated.

Sec. 2. [Section 633A.6202, subsection 1](#), Code 2024, is amended to read as follows:

1. Except as otherwise provided in [section 633A.3103](#), a trustee, ~~or~~ beneficiary, or other interested party of a trust may petition the court concerning the internal affairs of the trust or to determine the existence of the trust.

Sec. 3. [Section 633A.6202, subsection 2](#), paragraphs e, f, h, i, j, and k, Code 2024, are amended to read as follows:

e. Settle accounts and pass upon the acts of ~~the~~ any trustee, trust director, or trust protector, including the exercise of discretionary powers.

f. Instruct ~~the~~ any trustee, trust director, or trust protector.

h. Grant powers to or modify powers of ~~the~~ any trustee, trust director, or trust protector.

i. Fix or allow payment of the ~~trustee's~~ trustee's compensation of the trustee or any trust director or trust protector or review the reasonableness of the compensation.

j. Appoint or remove a any trustee, trust director, or trust protector.

k. Accept the resignation of a any trustee, trust director, or trust protector.

Approved April 19, 2024