**House Study Bill 37 - Introduced**

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON HOLT)

## A BILL FOR

1 An Act relating to the creation, administration, and
2 termination of custodial trusts.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA UNIFORM CUSTODIAL TRUST ACT

Section 1. NEW SECTION. **633F.1 Definitions.**

For purposes of this chapter:

1. *"Adult"* means an individual who is at least eighteen years of age.

2. *"Beneficiary"* means an individual for whom property has been transferred to or held under a declaration of trust by a custodial trustee for the individual's use and benefit under this chapter.

3. *"Consent"* means affirmation given by a person who is not incapacitated; or if a person is incapacitated and there is no conflict of interest between the representer and the incapacitated person with respect to the fiduciary manner, the following may consent on behalf of the incapacitated individual:

*a.* A conservator may represent and bind the person whose estate the conservator controls.

*b.* A trustee may represent and bind the beneficiary of a trust.

*c.* A personal representative may represent and bind the persons interested in the decedent's estate.

*d.* If no conservator has been appointed, a parent may represent and bind a minor child.

4. *"Conservator"* means a person appointed or qualified by a court to manage the estate of an individual or a person legally authorized to perform substantially the same functions.

5. *"Court"* means the probate court of this state.

6. *"Custodial trust property"* means an interest in property transferred to or held under a declaration of trust by a custodial trustee under this chapter and the income from and proceeds of that interest.

7. *"Custodial trustee"* means a person designated as trustee of a custodial trust under this chapter or a substitute or successor to the person designated.

8. *"Guardian"* means a person appointed or qualified by a court as a guardian of an individual, including a limited guardian, but not a person who is only a court visitor.

9. *"Incapacitated"* means the inability of an individual to manage property or business affairs because the individual is any of the following:

*a.* An individual whose decision-making is so impaired that the individual is unable to make, communicate, or carry out important decisions concerning the individual's financial affairs.

*b.* Detailed or incarcerated in a penal system.

*c.* Outside the United States and unable to return.

*d.* A minor.

10. *"Legal representative"* means a living person's agent acting under a durable financial power of attorney or conservator, a living or deceased person's trustee acting under a revocable trust created by such person, or a deceased person's personal representative.

11. *"Member of the beneficiary's family"* means the following persons who are competent adults at the time of acting hereunder, with such action to be taken in the following order of priority:

*a.* The surviving spouse, if not legally separated from the beneficiary, whose whereabouts are reasonably ascertainable.

*b.* The surviving child of the beneficiary, or, if there is more than one, a majority of the surviving children whose whereabouts are reasonably ascertainable.

*c.* The surviving parents of the beneficiary whose whereabouts are reasonably ascertainable.

*d.* A surviving grandchild of the beneficiary, or if there is more than one, a majority of the surviving grandchildren whose whereabouts are reasonably ascertainable.

*e.* A surviving sibling of the beneficiary, or if there is more than one, a majority of the surviving siblings whose whereabouts are reasonably ascertainable.

*f.* A surviving grandparent of the beneficiary, or if there is more than one, a majority of the surviving grandparents whose whereabouts are reasonably ascertainable.

*g.* A person in the next degree of kinship to the beneficiary in the order named by law who would inherit the estate of the beneficiary under the rules of inheritance for intestate succession, or if there is more than one, a majority of such surviving persons whose whereabouts are reasonably ascertainable.

12. *"Person"* means an individual, corporation, business trust, estate, trust, partnership, joint venture, association, or any other legal or commercial entity.

13. *"Personal representative"* means an executor, administrator, or special administrator of a decedent's estate, a person legally authorized to perform substantially the same functions, or a successor to any of them as defined in section 633.3.

14. *"State"* means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

15. *"Transferor"* means a person who creates a custodial trust by transfer or declaration.

16. *"Trust company"* means a financial institution, corporation, or other legal entity, authorized to exercise general trust powers.

Sec. 2. NEW SECTION. **633F.2 Custodial trust — general.**

1. A person may create a custodial trust of property by a written transfer of the property to another person, evidenced by registration or by other instrument of transfer, executed in any lawful manner, naming as beneficiary, an individual who may be the transferor, in which the transferee is designated, in substance, as custodial trustee under this chapter.

2. A person may create a custodial trust of property by a written declaration, evidenced by registration of the property or by other instrument of declaration executed in any lawful

manner, describing the property and naming as beneficiary an individual other than the declarant, in which the declarant as titleholder is designated, in substance, as custodial trustee under this chapter. A registration or other declaration of trust for the sole benefit of the declarant is not a custodial trust under this chapter.

3. Title to custodial trust property is in the custodial trustee and the beneficial interest is in the beneficiary.

4. Except as provided in subsection 5, a transferor shall not terminate a custodial trust.

5. The beneficiary, if not incapacitated, or the legal representative of an incapacitated beneficiary, may terminate a custodial trust by delivering to the custodial trustee a writing signed by the beneficiary or legal representative declaring the termination. If not previously terminated, the custodial trust terminates on the death of the beneficiary.

6. Any person may augment existing custodial trust property by the addition of other property pursuant to this chapter, only upon receipt and acceptance by the custodial trustee.

7. The transferor may designate, or authorize the designation of, a successor custodial trustee in the trust instrument.

8. This chapter does not displace or restrict other means of creating trusts. A trust whose terms do not conform to this chapter may be enforceable according to its terms under other law.

Sec. 3. NEW SECTION. **633F.4 Custodial trustee for future payment or transfer.**

1. A person having the right to designate the recipient of property payable or transferable upon a future event may create a custodial trust upon the occurrence of the future event by designating in writing the recipient, followed in substance by: "as custodial trustee for _____ (name of beneficiary) under the Iowa Uniform Custodial Trust Act".

2. Persons may be designated as substitute or successor

1 custodial trustees to whom the property must be paid or
2 transferred in the order named if the first designated
3 custodial trustee is unable or unwilling to serve.
4 3. A designation under this section may be made in a will,
5 a trust, a multiple-party account, an insurance policy, an
6 instrument exercising a power of appointment, or a writing
7 designating a beneficiary of contractual rights. Otherwise,
8 to be effective, the designation must be registered with or
9 delivered to the fiduciary, payor, issuer, or obligor of the
10 future right.
11 Sec. 4. NEW SECTION. **633F.4 Form and effect of receipt and**
12 **acceptance by custodial trustee — jurisdiction.**
13 1. Obligations of a custodial trustee, including the
14 obligation to follow directions of the beneficiary, arise under
15 this chapter upon the custodial trustee's acceptance, express
16 or implied, of the custodial trust property.
17 2. The custodial trustee's acceptance may be evidenced by a
18 writing stating in substance:
19 CUSTODIAL TRUSTEE'S RECEIPT AND ACCEPTANCE
20 I, _____ (name of custodial trustee) acknowledge receipt
21 of the custodial trust property described below or in the
22 attached instrument and accept the custodial trust as custodial
23 trustee for _____ (name of beneficiary) under the
24 Iowa Uniform Custodial Trust Act. I undertake to administer
25 and distribute the custodial trust property pursuant to the
26 Iowa Uniform Custodial Trust Act. My obligations as custodial
27 trustee are subject to the directions of the beneficiary
28 unless the beneficiary is designated as, is, or becomes
29 incapacitated. The custodial trust property consists of
30 _____.
31 Dated: _____
32 (Signature of Custodial Trustee)
33 3. Upon accepting custodial trust property, a person
34 designated as custodial trustee under this chapter is subject
35 to personal jurisdiction of the court with respect to any

1 matter relating to the custodial trust.
2 Sec. 5. NEW SECTION. **633F.5 Transfer to custodial trustee**
3 **by fiduciary or obligor — facility of payment.**
4 1. Unless otherwise directed by an instrument designating
5 a custodial trustee pursuant to section 633F.3, a person,
6 including a fiduciary other than a custodial trustee, who holds
7 property of or owes a debt to an incapacitated individual may
8 make a transfer to a beneficiary's legal representative and
9 if none, to a member of the beneficiary's family, or a trust
10 company, as custodial trustee for the use and benefit of the
11 incapacitated individual. If the value of the property or
12 the debt exceeds fifty thousand dollars, the transfer is not
13 effective unless authorized by the court.
14 2. A written acknowledgment of delivery, signed by a
15 custodial trustee, is a sufficient receipt and discharge for
16 property transferred to the custodial trustee pursuant to this
17 section.
18 Sec. 6. NEW SECTION. **633F.6 Single beneficiaries —**
19 **separate trust accounts.**
20 1. Beneficial interests in a custodial trust shall not be
21 created for multiple beneficiaries.
22 2. All custodial trust property held under this chapter by
23 the same custodial trustee for the use and benefit of a single
24 beneficiary may be administered as a single custodial trust.
25 Sec. 7. NEW SECTION. **633F.7 General duties of custodial**
26 **trustee.**
27 1. If appropriate, a custodial trustee shall register
28 or record the instrument vesting title to custodial trust
29 property.
30 2. If the beneficiary is not incapacitated, a custodial
31 trustee shall follow the directions of the beneficiary in the
32 management, control, investment, or retention of the custodial
33 trust property. In the absence of effective contrary direction
34 by the beneficiary while not incapacitated, the custodial
35 trustee shall observe the prudent investment standards set

forth in section 633.123. However, a custodial trustee, in the custodial trustee's discretion, may retain any custodial trust property received from the transferor. If a custodial trustee has a special skill or expertise or is named custodial trustee on the basis of representation of a special skill or expertise, the custodial trustee shall use that skill or expertise.

3. Subject to subsection 2, a custodial trustee shall take control of and collect, hold, manage, invest, and reinvest custodial trust property.

4. A custodial trustee at all times shall keep custodial trust property of which the custodial trustee has control, separate from all other property in a manner sufficient to identify it clearly as custodial trust property of the beneficiary. Custodial trust property, the title to which is subject to recordation, is so identified if an appropriate instrument so identifying the property is recorded, and custodial trust property subject to registration is so identified if it is registered, or held in an account in the name of the custodial trustee, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the Iowa Uniform Custodial Trust Act".

5. A custodial trustee shall keep records of all transactions with respect to custodial trust property, including information necessary for the preparation of tax returns, and shall make the records and information available at reasonable times to the beneficiary or legal representative of the beneficiary.

6. The exercise of a durable power of attorney for an incapacitated beneficiary is not effective to terminate or direct the administration or distribution of a custodial trust.

Sec. 8. NEW SECTION. **633F.8 General powers of custodial trustee.**

1. A custodial trustee, acting in a fiduciary capacity, has all the rights and powers over custodial trust property which an unmarried adult owner has over individually owned property,

1 but a custodial trustee may exercise those rights and powers
2 in a fiduciary capacity only.
3 2. This section does not relieve a custodial trustee from
4 liability for a violation of section 633F.7.
5 Sec. 9. NEW SECTION. **633F.9 Use of custodial trust**
6 **property.**
7 1. A custodial trustee shall pay to the beneficiary or
8 expend for the beneficiary's use and benefit so much or all
9 of the custodial trust property as the beneficiary while not
10 incapacitated may direct from time to time.
11 2. If the beneficiary is incapacitated, the custodial
12 trustee shall expend so much or all of the custodial trust
13 property as the custodial trustee considers advisable for the
14 use and benefit of the beneficiary and individuals who are
15 legally entitled to support by the beneficiary. Expenditures
16 may be made in the manner, when, and to the extent that the
17 custodial trustee determines suitable and proper, without court
18 order and without regard to other support, income, or property
19 of the beneficiary.
20 3. To facilitate distributions to the beneficiary, a
21 custodial trustee may establish checking, savings, or other
22 similar accounts of reasonable amounts under which either
23 the custodial trustee or the beneficiary, if authorized, may
24 withdraw funds from, or draw checks against, the accounts in
25 amounts authorized by the custodian. Funds withdrawn from,
26 or checks written against, the account by the beneficiary are
27 distributions of custodial trust property by the custodial
28 trustee to the beneficiary.
29 Sec. 10. NEW SECTION. **633F.10 Determination of incapacity**
30 **— effect.**
31 1. The custodial trustee shall administer the custodial
32 trust as for an incapacitated beneficiary in any of the
33 following circumstances:
34 *a.* The custodial trust was created under section 633F.5.
35 *b.* The transferor has so directed in the instrument creating

1 the custodial trust.
2 *c.* The custodial trustee has determined that the beneficiary
3 is incapacitated.
4 2. A custodial trustee may determine that the beneficiary is
5 incapacitated in reliance upon any of the following:
6 *a.* Previous direction or authority given by the beneficiary
7 while not incapacitated, including direction or authority
8 pursuant to a durable power of attorney.
9 *b.* Written documentation from the beneficiary's physician.
10 *c.* Other persuasive evidence.
11 3. If a custodial trustee for an incapacitated beneficiary
12 reasonably concludes that the beneficiary's incapacity has
13 ceased, or that circumstances concerning the beneficiary's
14 ability to manage property and business affairs have
15 changed since the creation of a custodial trust directing
16 administration as for an incapacitated beneficiary, the
17 custodial trustee may administer the trust as for a beneficiary
18 who is not incapacitated.
19 4. On petition of the beneficiary, the custodial trustee, or
20 other person interested in the custodial trust property or the
21 welfare of the beneficiary, the court shall determine whether
22 the beneficiary is incapacitated.
23 5. Absent determination of incapacity of the beneficiary
24 under subsection 2 or 4, a custodial trustee who has reason to
25 believe that the beneficiary is incapacitated shall administer
26 the custodial trust in accordance with the provisions of this
27 chapter applicable to an incapacitated beneficiary.
28 6. Incapacity of a beneficiary does not terminate the
29 custodial trust, any designation of a successor custodial
30 trustee, rights or powers of the custodial trustee, or any
31 immunities of third persons acting on instructions of the
32 custodial trustee.
33 Sec. 11. NEW SECTION. **633F.11 Exemption of third person**
34 **from liability.**
35 1. A third person in good faith and without a court order

may act on instructions of, or otherwise deal with, a person purporting to make a transfer as, or purporting to act in the capacity of, a custodial trustee.

2. A third person who receives instructions from the purported custodial trustee may require such custodial trustee to provide proof of their identity and a certification of trust or copies of those excerpts from the original trust instrument and amendments to the original trust instrument which designate the currently acting custodial trustee and confer upon the custodial trustee the power to act in the pending transaction.

3. If a certification of trust is provided, it must do all of the following:

*a.* State the names of all the currently acting trustees.

*b.* If there is more than one currently acting trustee, state whether the trustees may act individually or must act by majority decision or must act by unanimous decision.

*c.* State that the trust has not been revoked, modified, or amended in any manner that would cause the representations in the certification of trust to be incorrect.

*d.* Be signed by a currently acting trustee or the attorney of a currently acting trustee.

*e.* Be dated and certified under penalty of perjury and pursuant to the laws of the state of Iowa that it is true and correct, or subscribed and sworn to under penalty of perjury before a notary public as provided in chapter 9B.

*f.* A third person who acts in reliance upon the information provided by the custodial trustee, after taking reasonable steps to verify the identity of the custodial trustee and without knowledge that the representations contained in the certification are incorrect, is not liable to any person for so acting and may assume without inquiry the existence of the facts contained in the certification. The period of time to verify the identity of the trustee shall not exceed ten business days from the date the third person received the requested information. Knowledge shall not be inferred

solely from the fact that a copy of all or part of the trust instrument is held by the third person relying upon the trust certification. A transaction, and a lien created by a transaction, entered into by the custodial trustee and a person acting in reliance upon a certification of trust is enforceable against the trust assets.

4. A third person who makes a demand for information from the custodial trustee beyond that set forth in subsection 2 shall be liable for damages, including attorney fees, incurred as a result of the refusal to accept the information provided, if the court determines that the third person acted unreasonably in requesting such additional information.

5. If a custodial trustee has provided the information set forth in subsection 2, and the third person refuses to follow the instructions provided by the custodial trustee within the time period set forth in subsection 4, the custodial trustee may bring an action under this subsection and the court may award any or all of the following to the custodial trustee:

*a.* Any damages sustained by the trust.

*b.* The costs of the action.

*c.* A penalty in an amount of not less than five hundred dollars and not more than ten thousand dollars.

*d.* Reasonable attorney fees, based on the value of the time reasonably expended by the attorney and not on the amount of the recovery on behalf of the custodial trustee.

6. An action shall not be brought under this subsection more than one year after the date of the occurrence of the alleged violation.

Sec. 12. NEW SECTION. **633F.12 Liability to third person.**

1. A claim based on a contract entered into by a custodial trustee acting in a fiduciary capacity, an obligation arising from the ownership or control of custodial trust property, or a tort committed in the course of administering the custodial trust, may be asserted by a third person against the custodial trust property by proceeding against the custodial trustee in a

fiduciary capacity, whether or not the custodial trustee or the beneficiary is personally liable.

2. A custodial trustee is not personally liable to a third person for any of the following:

*a.* On a contract properly entered into in a fiduciary capacity unless the custodial trustee fails to reveal that capacity or to identify the custodial trust in the contract.

*b.* For an obligation arising from control of custodial trust property or for a tort committed in the course of the administration of the custodial trust unless the custodial trustee is personally at fault.

3. A beneficiary is not personally liable to a third person for an obligation arising from beneficial ownership of custodial trust property or for a tort committed in the course of administration of the custodial trust unless the beneficiary is personally in possession of the custodial trust property giving rise to the liability or is personally at fault.

4. Subsections 2 and 3 do not preclude actions or proceedings to establish liability of the custodial trustee or beneficiary to the extent the person sued is protected as the insured by liability insurance.

Sec. 13. NEW SECTION. **633F.13 Declination, resignation, incapacity, death, or removal of custodial trustee — designation of successor custodial trustee.**

1. Before accepting the custodial trust property, a person designated as custodial trustee may decline to serve by notifying the person who made the designation, the transferor, or the transferor's legal representative. If an event giving rise to a transfer has not occurred, the substitute custodial trustee designated under section 633F.3 becomes the custodial trustee, or, if a substitute custodial trustee has not been designated, the person who made the designation may designate a substitute custodial trustee pursuant to section 633F.3. In other cases, the transferor or the transferor's legal representative may designate a substitute custodial trustee.

2. A custodial trustee who has accepted the custodial trust property may resign by doing all of the following:

*a.* Delivering written notice to a successor custodial trustee, if any, the beneficiary and, if the beneficiary is incapacitated, to the beneficiary's legal representative, if any.

*b.* Transferring or registering, or recording an appropriate instrument relating to, the custodial trust property, in the name of, and delivering the records to, the successor custodial trustee identified under subsection 3.

3. If a custodial trustee or successor custodial trustee is ineligible, resigns, dies, or becomes incapacitated, the successor designated under section 633F.2, subsection 7, or section 633F.3 becomes custodial trustee. If there is no effective provision for a successor, the beneficiary if not incapacitated, or the legal representative of an incapacitated beneficiary, may designate a successor custodial trustee. If the beneficiary is not incapacitated, but fails to act within ninety days after the ineligibility, resignation, death, or incapacity of the custodial trustee, or if the beneficiary is incapacitated and the beneficiary's legal representative fails to act within ninety days after the ineligibility, resignation, death, or incapacity of the custodial trustee, then the beneficiary's legal representative becomes successor custodial trustee. If the beneficiary does not have a legal representative or the legal representative fails to act, the resigning custodial trustee may designate a successor custodial trustee.

4. If a successor custodial trustee is not designated pursuant to subsection 3, the transferor, the legal representative of the transferor or of the custodial trustee, a beneficiary's legal representative and if none, a member of the beneficiary's family, a person interested in the custodial trust property may petition the court to designate a successor custodial trustee.

5. A custodial trustee who declines to serve or resigns, or the legal representative of a deceased or incapacitated custodial trustee, as soon as practicable, shall put the custodial trust property and records in the possession and control of the successor custodial trustee. The successor custodial trustee may enforce the obligation to deliver custodial trust property and records and becomes responsible for each item as received.

6. A substitute custodial trustee designated under section 633F.3, the beneficiary, the beneficiary's legal representative and if none, a member of the beneficiary's family, a person interested in the custodial trust property, may petition the court to remove the custodial trustee for cause and designate a successor custodial trustee, to require the custodial trustee to furnish a bond or other security for the faithful performance of fiduciary duties, or for other appropriate relief.

Sec. 14. NEW SECTION. **633F.14 Expenses, compensation, and bond of custodial trustee.**

Except as otherwise provided in the instrument creating the custodial trust, in an agreement with the beneficiary, or by court order, all of the following are true:

*a.* A custodial trustee is entitled to reimbursement from custodial trust property for reasonable expenses incurred in the performance of fiduciary services.

*b.* A custodial trustee has a noncumulative election, to be made no later than six months after the end of each calendar year, to charge a reasonable compensation for fiduciary services performed during that year.

*c.* A custodial trustee need not furnish a bond or other security for the faithful performance of fiduciary duties.

Sec. 15. NEW SECTION. **633F.15 Reporting and accounting by custodial trustee — determination of liability of custodial trustee.**

1. Upon the acceptance of custodial trust property, the

1 custodial trustee shall provide a written statement describing
2 the custodial trust property and shall thereafter provide a
3 written statement of the administration of the custodial trust
4 property as follows:
5 *a.* Once each year.
6 *b.* Upon request at reasonable times, but not more than
7 quarterly during any calendar year, by the beneficiary or the
8 beneficiary's legal representative.
9 *c.* Upon resignation or removal of the custodial trustee.
10 *d.* Upon termination of the custodial trust.
11 2. The statements must be provided to the beneficiary
12 or to the beneficiary's legal representative, if any. Upon
13 termination of the beneficiary's interest, the custodial
14 trustee shall furnish a current statement to the person to whom
15 the custodial trust property is to be delivered.
16 3. A substitute or successor custodial trustee designated
17 under section 633F.3, a beneficiary, the beneficiary's legal
18 representative, a member of the beneficiary's family, or a
19 person interested in the custodial trust property may petition
20 the court for an accounting by the custodial trustee or the
21 custodial trustee's legal representative.
22 4. A successor custodial trustee may petition the court for
23 an accounting by a predecessor custodial trustee.
24 5. In an action or proceeding under this chapter or in any
25 other proceeding, the court may require or permit the custodial
26 trustee or the custodial trustee's legal representative to
27 account. The custodial trustee or the custodial trustee's
28 legal representative may petition the court for approval of
29 final accounts.
30 6. If a custodial trustee is removed, the court shall
31 require an accounting and order delivery of the custodial trust
32 property and records to the successor custodial trustee and
33 the execution of all instruments required for transfer of the
34 custodial trust property.
35 7. On petition of the custodial trustee or any person who

could petition for an accounting, the court, after notice to interested persons, may issue instructions to the custodial trustee or review the propriety of the acts of a custodial trustee or the reasonableness of compensation determined by the custodial trustee for the services of the custodial trustee or others.

Sec. 16. NEW SECTION. **633F.16 Limitations of action against custodial trustee.**

1. Except as provided in subsection 3, unless previously barred by adjudication, consent, or limitation, a claim for relief against a custodial trustee for accounting or breach of duty is barred as to a beneficiary, a person to whom custodial trust property is to be paid or delivered, or the legal representative of an incapacitated or deceased beneficiary or payee who either:

*a.* Has received an accounting or other statement adequately disclosing the matter unless an action or proceeding to assert the claim is commenced within one year after receipt of such accounting or statement.

*b.* Has not received an accounting or other statement adequately disclosing the matter unless an action or proceeding to assert the claim is commenced within three years after the termination of the custodial trust.

2. For the purpose of subsection 1, a beneficiary or a person to whom custodial trust property is to be paid or delivered, is deemed to have received an accounting or other statement, in the following instances:

*a.* In the case of an adult who is reasonably capable of understanding the accounting or other statement if it is personally received by such person.

*b.* In the case of an adult who is not reasonably capable of understanding the accounting or other statement, if it is received by such adult person's legal representative, and if none, then if received by a guardian ad litem, court visitor, or other person appointed for this purpose.

*c.* In the case of a minor, if it is received by a person who has authority to consent on the minor's behalf, and if none, then if received by a guardian ad litem, court visitor, or other person appointed for this purpose.

3. Except as provided in subsection 4, a claim for relief to recover from a custodial trustee for fraud, misrepresentation, or concealment related to the final settlement of the custodial trust or concealment of the existence of the custodial trust, is barred unless an action or proceeding to assert the claim is commenced within five years after the termination of the custodial trust.

4. Unless an accounting or other statement adequately disclosing the matter was provided as set forth above, a claim for relief is not barred by this section if the claimant is or was any of the following:

*a.* A minor, until the earlier of one year after the claimant becomes an adult or dies; an incapacitated adult, until the earliest of one year after the following:

(1) The appointment of a legal representative.

(2) The removal of the incapacity.

(3) The death of the claimant.

*b.* An adult, now deceased, who was not incapacitated, until one year after the claimant's death.

Sec. 17. NEW SECTION. **633F.17 Distribution on termination.**

1. Upon termination of a custodial trust, the custodial trustee shall transfer the unexpended custodial trust property:

*a.* To the beneficiary, if not incapacitated or deceased.

*b.* To the beneficiary's legal representative or other recipient designated by the court for an incapacitated beneficiary.

*c.* Upon the beneficiary's death, in the following order:

(1) As last directed in a writing signed by the deceased beneficiary while not incapacitated and received by the custodial trustee during the life of the deceased.

(2) As designated in the instrument creating the custodial

trust.

(3) To the estate of the deceased beneficiary.

2. The direction to the custodial trustee by a beneficiary who is not incapacitated, for distribution on termination of the custodial trust may be in any written form clearly identifying the distributee and may be substantially similar to the following:

I, _____ (name of beneficiary) hereby direct _____ (name of custodial trustee) as custodial trustee, to transfer and pay the unexpended balance of the custodial trust property of which I am beneficiary to _____ as distributee on the termination of the trust at my death. In the event of the prior death of _____ above named as distributee, I designate _____ as distributee of the custodial trust property.

Signed _____ (signature of beneficiary).

Date _____

Receipt Acknowledged: _____(signature of Custodial Trustee)

Date _____

3. If, when the custodial trust would otherwise terminate, the distributee is incapacitated, the custodial trust continues for the use and benefit of the distributee as beneficiary until the incapacity is removed or the custodial trust is otherwise terminated.

4. Death of a beneficiary does not terminate the power of the custodial trustee to discharge obligations of the custodial trustee or beneficiary incurred before the termination of the custodial trust.

Sec. 18. NEW SECTION. **633F.18 Methods and forms for creating custodial trusts.**

1. If a transaction, including a declaration with respect to or a transfer of specific property, otherwise satisfies applicable law, the criteria of section 633F.2 are satisfied by any of the following:

*a.* The execution and either delivery to the custodial trustee or recording of an instrument in substantially the following form:

TRANSFER UNDER THE IOWA UNIFORM CUSTODIAL TRUST ACT

I, _____ (name of transferor or name and representative capacity if a fiduciary), transfer to _____ (name of trustee other than transferor), as custodial trustee for _____ (name of beneficiary) as beneficiary and _____ as distributee on termination of the trust in absence of direction by the beneficiary under the Iowa Uniform Custodial Trust Act, the following:

_____ (Insert a description of the custodial trust property legally sufficient to identify and transfer each item of property).

If _____ (name of trustee other than transferor) declines to serve or ceases to serve as custodial trustee for any reason, then I designate _____ (name of substitute or successor custodial trustee) as substitute or successor custodial trustee.

Dated:_____

Signature: _____

*b.* The execution and the recording or giving notice of its execution to the beneficiary of an instrument in substantially the following form:

DECLARATION OF TRUST UNDER IOWA UNIFORM CUSTODIAL TRUST ACT

I, _____ (name of owner of property), declare that henceforth I hold as custodial trustee for _____ (name of beneficiary other than transferor) as beneficiary and _____ as distributee on termination of the trust in absence of direction by the beneficiary under the Iowa Uniform Custodial Trust Act, the following: _____ (Insert a description of the custodial trust property legally sufficient to identify and transfer each item of property). If I cease to serve as custodial trustee for any reason, then I designate _____ (name of substitute or successor custodial trustee) as

1 successor custodial trustee.
2 Dated: _____
3 Signature: _____
4 2. Customary methods of transferring or evidencing
5 ownership of property may be used to create a custodial trust,
6 including any of the following:
7 *a.* Registration of a security in the name of a trust
8 company, an adult other than the transferor, or the transferor
9 if the beneficiary is other than the transferor, designated in
10 substance "as custodial trustee for _____ (name of
11 beneficiary) under the Iowa Uniform Custodial Trust Act".
12 *b.* Delivery of a certificated security, or a document
13 necessary for the transfer of an uncertificated security,
14 together with any necessary endorsement, to an adult other than
15 the transferor or to a trust company as custodial trustee,
16 accompanied by an instrument in substantially the form
17 prescribed in subsection 1, paragraph *"a"*.
18 *c.* Payment of money or transfer of a security held in the
19 name of a broker or a financial institution or its nominee to a
20 broker or financial institution for credit to an account in the
21 name of a trust company, an adult other than the transferor,
22 or the transferor if the beneficiary is other than the
23 transferor, designated in substance: "as custodial trustee for
24 _____ (name of beneficiary) under the Iowa Uniform
25 Custodial Trust Act".
26 *d.* Registration of ownership of a life or endowment
27 insurance policy or annuity contract with the issuer in the
28 name of a trust company, an adult other than the transferor,
29 or the transferor if the beneficiary is other than the
30 transferor, designated in substance: "as custodial trustee for
31 _____ (name of beneficiary) under the Iowa Uniform
32 Custodial Trust Act".
33 *e.* Delivery of a written assignment to an adult other
34 than the transferor or to a trust company whose name in the
35 assignment is designated in substance by the words: "as

1 custodial trustee for _____ (name of beneficiary)
2 under the Iowa Uniform Custodial Trust Act".
3 *f.* Irrevocable exercise of a power of appointment, pursuant
4 to its terms, in favor of a trust company, an adult other than
5 the donee of the power, or the donee who holds the power if
6 the beneficiary is other than the donee, whose name in the
7 appointment is designated in substance: "as custodial trustee
8 for (name of beneficiary) under the Iowa Uniform Custodial
9 Trust Act".
10 *g.* Delivery of a written notification or assignment of a
11 right to future payment under a contract to an obligor which
12 transfers the right under the contract to a trust company,
13 an adult other than the transferor, or the transferor if the
14 beneficiary is other than the transferor, whose name in the
15 notification or assignment is designated in substance: "as
16 custodial trustee for _____ (name of beneficiary)
17 under the Iowa Uniform Custodial Trust Act".
18 *h.* Execution, delivery, and recordation of a conveyance of
19 an interest in real property in the name of a trust company,
20 an adult other than the transferor, or the transferor if
21 the beneficiary is other than the transferor, designated in
22 substance: "as custodial trustee for _____ (name of
23 beneficiary) under the Iowa Uniform Custodial Trust Act".
24 *i.* Issuance of a certificate of title by an agency of a
25 state or of the United States which evidences title to tangible
26 personal property:
27 (1) Issued in the name of a trust company, an adult other
28 than the transferor, or the transferor if the beneficiary
29 is other than the transferor, designated in substance: "as
30 custodial trustee for _____ (name of beneficiary)
31 under the Iowa Uniform Custodial Trust Act".
32 (2) Delivered to a trust company or an adult other
33 than the transferor or endorsed by the transferor to that
34 person, designated in substance: "as custodial trustee for
35 _____ (name of beneficiary) under the Iowa Uniform

Custodial Trust Act".

*j.* Execution and delivery of an instrument of gift to a trust company or an adult other than the transferor, designated in substance: "as custodial trustee for _____ (name of beneficiary) under the Iowa Uniform Custodial Trust Act".

Sec. 19. NEW SECTION. **633F.19 Applicable law.**

1. This chapter applies to a transfer or declaration creating a custodial trust that refers to this chapter if, at the time of the transfer or declaration, the transferor, beneficiary, or custodial trustee is a resident of or has its principal place of business in this state or custodial trust property is located in this state. The custodial trust remains subject to this chapter despite a later change in residence or principal place of business of the transferor, beneficiary, or custodial trustee, or removal of the custodial trust property from this state.

2. A transfer made pursuant to an act of another state substantially similar to this chapter is governed by the law of that state and may be enforced in this State.

Sec. 20. NEW SECTION. **633F.20 Uniformity of application and construction.**

This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.

Sec. 21. NEW SECTION. **633F.21 Short title.**

This chapter shall be known and may be cited as the "*Iowa Uniform Custodial Trust Act*".

DIVISION II

CONFORMING CHANGES

Sec. 22. Section 232D.503, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 6. If the court orders termination of a guardianship established under this chapter and the guardian has custody of any assets of a protected person who is a minor or was a minor at the time of the minor's death, the court

shall order delivery of the minors assets to the minor or to a fiduciary acting under one or more of the following:

*a.* A conservatorship established for the minor.

*b.* A personal representative appointed as a result of the minor's death.

*c.* A uniform transfer to minor account established for the minor pursuant to chapter 565B or the laws of any other state.

*d.* A uniform custodial trust account established for the minor pursuant to chapter 633F or the laws of any other state.

*e.* A college savings plan account established for the minor pursuant to Internal Revenue Code section 529 or Chapter 12D or the laws of any other state.

*f.* An ABLE account established for the minor with disabilities pursuant to Internal Revenue Code section 529A or chapter 12I or the laws of any other state.

Sec. 23. Section 565B.6, subsection 3, paragraph c, Code 2021, is amended to read as follows:

*c.* The transfer is authorized by the court if all transfers, including the transfer to be made and prior transfers, exceed ~~twenty-five~~ fifty thousand dollars in value. Transfers by a personal representative, trustee, or conservator shall not be aggregated, but each personal representative, trustee, or conservator shall be treated separately.

Sec. 24. Section 633.108, Code 2021, is amended to read as follows:

**633.108 Small distributions ~~to minors — payment~~.**

1. Whenever a ~~minor~~ person becomes entitled under the terms of a will to a bequest or legacy, or to a share of the estate of an intestate, and the value of the bequest, legacy, or share does not exceed the sum of ~~twenty-five~~ fifty thousand dollars, the personal representative may pay the bequest, legacy, or ~~share to a custodian under any uniform transfers to minors Act~~ interest to a fiduciary acting under one or more of the accounts referenced in subsection 2.

2. Receipt by the custodian, when presented to the court or

filed with the report of distribution of the fiduciary, shall have the same force and effect as though the payment had been made to a duly appointed and qualified conservator for the ~~minor.~~ person entitled to them:

*a.* A uniform transfer to minor account established for the minor pursuant to chapter 565B or the laws of any other state.

*b.* A uniform custodial trust account established for the minor pursuant to chapter 633F or the laws of any other state.

*c.* A college savings plan account established for the minor pursuant to Internal Revenue Code section 529 or chapter 12D.

*d.* An ABLE account established for the minor with disabilities pursuant to Internal Revenue Code section 529A or chapter 12I.

Sec. 25. Section 633.675, Code 2021, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. The court shall terminate a conservatorship if it finds by clear and convincing evidence all of the following:

*a.* The value of the protected person's property is insufficient to justify the cost of administration.

*b.* That continued administration of the conservatorship is not in the best interest of the protected person.

*c.* That a reasonable alternative exists under section 633.678 for managing the protected person's assets.

Sec. 26. Section 633.678, Code 2021, is amended to read as follows:

**633.678 Delivery of assets.**

1. Upon the termination of a conservatorship, all assets of the conservatorship shall be delivered~~, under direction of the court, to~~ as ordered by the court to any of the following:

*a.* To the person or persons entitled to them.

*b.* To a custodian under a uniform transfers to minor account established for the protected person pursuant to chapter 565B or the laws of any other state.

*c.* To a custodial trustee under a uniform custodial trust

account established for the protected person pursuant to chapter 633F or the laws of any other state.

*d.* To an account owner or participant under a college savings plan account established for the protected person pursuant to Internal Revenue Code section 529 or chapter 12D or the laws of any other state.

*e.* To the account owner under an ABLE account established for the protected person with disabilities pursuant to Internal Revenue Code section 529A or chapter 12I or the laws of any other state.

2. Delivery of the assets of an adult protected person under subsection 1, paragraphs *"b"* through *"e"*, shall have the same force and effect as if delivery had been made directly to the person or persons entitled to them. Delivery of the assets of a minor protected person under subsection 1, paragraphs *"b"* through *"e"*, shall have the same force and effect as if delivery had been made to the protected person after attaining majority.

Sec. 27. Section 633.681, Code 2021, is amended to read as follows:

**633.681 ~~Assets of minor ward exhausted~~ Exhausted or minimal assets of minor protected person.**

1. When the assets of a minor ~~ward's~~ protected person's conservatorship are exhausted or consist of personal property only of an aggregate value not in excess of ~~twenty-five~~ fifty thousand dollars, the court, upon application or upon its own motion, may terminate the conservatorship. The order for termination shall direct the conservator to deliver any property remaining after the payment of allowed claims and expenses of administration to a ~~custodian under any uniform transfers to minors Act.~~ fiduciary acting under one or more of the following accounts:

*a.* A uniform transfer to minor account established for the minor pursuant to chapter 565B or the laws of any other state.

*b.* A uniform custodial trust account established for the minor pursuant to chapter 633F or the laws of any other state.

1 *c.* A college savings plan account established for the minor
2 pursuant to Internal Revenue Code section 529 or chapter 12D
3 or the laws of any other state.
4 *d.* An ABLE account established for the minor with
5 disabilities pursuant to Internal Revenue Code section 529A or
6 chapter 12I or the laws of any other state.
7 2. Such delivery shall have the same force and effect as
8 if delivery had been made to the ward protected person after
9 attaining majority.
10 EXPLANATION

11 **The inclusion of this explanation does not constitute agreement with**
12 **the explanation's substance by the members of the general assembly.**

13 This bill establishes the Iowa uniform custodial trust Act
14 and provides definitions. The Iowa uniform custodial trust
15 Act is a statutory standby inter vivos trust for individuals
16 represented by attorneys engaged in general rather than
17 specialized probate practice.
18 The bill allows persons, competent to transfer property,
19 to create custodial trusts for the benefit of themselves
20 or others, with the beneficial interest in custodial trust
21 property in the beneficiary and not in the custodial trustee.
22 The bill allows any kind of property, real or personal,
23 tangible or intangible, to be made the subject of a transfer
24 to a custodial trustee for the benefit of a beneficiary. A
25 person may create a custodial trust by a written transfer of
26 the property to another person, evidenced by registration
27 or by other instrument of transfer executed and naming as
28 beneficiary an individual who may be the transferor, in
29 which the transferee is designated as custodial trustee, or a
30 person may create a custodial trust of property by a written
31 declaration, evidenced by registration of the property or by
32 other instrument of declaration executed and describing the
33 property and naming as beneficiary an individual other than the
34 declarant, in which the declarant as titleholder is designated,
35 in substance, as custodial trustee. The bill provides that a

1 registration or other declaration of trust for the sole benefit
2 of the declarant is not a valid custodial trust. Title is
3 given to the custodial trustee and the beneficial interest
4 is given to the beneficiary. A nonincapacitated beneficiary
5 or legal representative of an incapacitated beneficiary may
6 terminate a custodial trust by delivering the custodial trustee
7 a written notice declaring termination. A successor custodial
8 trustee may be designated in the trust document and any
9 person may augment the trust property by the addition of other
10 property.
11 The bill provides how the custodial trustee may make future
12 payment or transfer the position of custodial trustee. A
13 person who is able to designate the recipient of property
14 payable or transferable upon a future event may create a
15 custodial trust by designating in writing the recipient. A
16 designation of successor trustee may be made in a will, a
17 trust, a multiple-party account, an insurance policy, an
18 instrument exercising a power of appointment, or a writing
19 designating a beneficiary of contractual rights. The
20 designation can also be delivered or registered to the
21 fiduciary, payor, insurer, or obligor of the future right.
22 The bill provides a form and effect of receipt and acceptance
23 by custodial trustee. The form provides the name of the
24 custodial trustee, the name of the beneficiary, the property
25 the trust consists of, and date and signature of the custodial
26 trustee. It also provides that upon accepting custodial trust
27 property, the custodial trustee is subjected to personal
28 jurisdiction of the court with respect to any matter relating
29 to the custodial trust.
30 The bill provides that unless otherwise directed by an
31 instrument designating a custodial trustee, a person, who holds
32 property of or owes a debt to an incapacitated individual, may
33 make a transfer to a beneficiary's legal representative and
34 if none, to a member of the beneficiary's family, or a trust
35 company, as custodial trustee for the use and benefit of the

1 incapacitated individual. If the value of the property or the
2 debt exceeds $50,000, the transfer is not effective unless
3 authorized by the court. A signed written acknowledgment of
4 delivery by a custodial trustee is a sufficient receipt and
5 discharge for property transferred to the custodial trustee.
6 The bill provides that a custodial trust cannot create
7 beneficial interests for multiple beneficiaries. The bill
8 provides that all custodial property held by the same custodial
9 trustee for a single beneficiary may be administered as a
10 single custodial trust.
11 The bill provides general duties of a custodial trustee
12 which include: registering or recording the instrument vesting
13 title to custodial trust property, if appropriate; following
14 the directions of the nonincapacitated beneficiary in the
15 management, control, investment, or retention of the custodial
16 trust property; observing the prudent investment standards set
17 forth in Code section 633.123 if there is not clear directives
18 from the beneficiary prior to being incapacitated; retaining
19 any custodial trust property received from the transferor; and
20 controlling, collecting, holding, managing, investing, and
21 reinvesting custodial trust property. The bill provides that
22 if a custodial trustee has a special skill or expertise or is
23 named custodial trustee on the basis of representation of a
24 special skill or expertise, the custodial trustee shall use
25 that skill or expertise in making decisions for the custodial
26 trust property. The bill provides that a custodial trustee
27 at all times shall keep custodial trust property of which the
28 custodial trustee has control separate from all other property
29 in a manner sufficient to identify it clearly as custodial
30 trust property of the beneficiary. The bill provides that a
31 custodial trustee shall keep records of all transactions with
32 respect to custodial trust property, including information
33 necessary for the preparation of tax returns, and shall make
34 the records and information available at reasonable times to
35 the beneficiary or legal representative of the beneficiary.

Furthermore, the exercise of a durable power of attorney for an incapacitated beneficiary is not effective to terminate or direct the administration or distribution of a custodial trust.

The bill provides that the custodial trustee has all the rights and powers over custodial trust property which a person has over individually owned property which may only be exercised in a fiduciary capacity.

The bill provides how the custodial trust may be used. If the beneficiary is not incapacitated, the custodial trustee shall pay or expend for the beneficiary's use or benefit the amount of the custodial trust property at the beneficiary's directive. If the beneficiary is incapacitated, the custodial trustee shall be allowed to distribute the amount of the custodial trust property as deemed advisable for the use and benefit of the beneficiary and individuals who are entitled to support by the beneficiary. The custodial trustee has discretion in determining the manner, when, and to the extent that the expenditures are made without court order and without regard to other support, income, or property of the beneficiary.

The bill provides that a custodial trustee may determine a beneficiary incapacitated relying upon previous direction or authority given by the beneficiary while not incapacitated including direction or authority pursuant to a durable power of attorney; written documentation from the beneficiary's physician; on the petition of the beneficiary, the custodial trustee, or other interested person in the custodial trust property, the court may determine whether the beneficiary is incapacitated; or other persuasive evidence. The bill also provides that if a custodial trustee deems that a beneficiary's incapacity has ceased or that the circumstances concerning the beneficiary's ability to manage the property and business affairs have changed, the custodial trustee may administer the trust as for a beneficiary who is not incapacitated. The bill provides when a determination of incapacity has not been

1 made, a custodial trustee who has reason to believe that the
2 beneficiary is incapacitated shall administer the custodial
3 trust in accordance with provisions of the bill applicable
4 to an incapacitated beneficiary. A beneficiary being found
5 to be incapacitated does not terminate the custodial trust,
6 any designation of the successor custodial trustee, rights
7 or powers of the custodial trustee, or any immunities of a
8 third-person action on the instructions of the custodial
9 trustee.
10 The bill provides that a third party acting in good faith
11 has no need to determine the custodial trustee's authority to
12 bind the beneficiary with respect to property and investment
13 matters. The bill generally limits the claims of third
14 parties to recourse against the custodial property, with the
15 beneficiary insulated against personal liability unless the
16 beneficiary is personally at fault and the custodial trustee is
17 similarly insulated unless the custodial trustee is personally
18 at fault or failed to disclose the custodial capacity when
19 entering into a contract.
20 The bill provides for declination, resignation, incapacity,
21 death, or removal of the custodial trustee. A custodial
22 trustee may decline the appointment by notifying the person
23 who made the designation prior to accepting the custodial
24 trust property. If a substitute custodial trustee has not
25 been appointed, the person who made the initial designation
26 may designate a substitute custodial trustee who becomes
27 the custodial trustee. Otherwise, the transferor's legal
28 representative may designate a substitute custodial trustee.
29 A custodial trustee, who has accepted the custodial trust
30 property, may resign by delivering written notice to a
31 successor custodial trustee, the beneficiary, and, if the
32 beneficiary is incapacitated, to the beneficiary's legal
33 representative, and transferring, registering, or recording an
34 appropriate instrument relating to the custodial trust property
35 in the name of, and delivering the records to, the successor

1 custodial trustee.
2 The bill provides that if the custodial trustee or successor
3 custodial trustee dies, resigns, or becomes incapacitated,
4 the successor custodial trustee designated becomes the
5 custodial trustee. If the successor is not identified,
6 the competent beneficiary or the legal representative of an
7 incapacitated beneficiary may designate a successor custodial
8 trustee. If the beneficiary fails to act in 90 days, the
9 legal representative becomes the custodial trustee. If the
10 incapacitated beneficiary does not have a legal representative
11 or the legal representative fails to act, the resigning
12 custodial trustee may designate a successor custodial trustee.
13 The court may also be petitioned to designate a successor
14 custodial trustee if a successor custodial trustee is not
15 designated.
16 The bill provides that a substitute custodial trustee,
17 the beneficiary, the beneficiary's legal representative, and
18 if none, a member of the beneficiary's family, or a person
19 interested in the custodial trust property, may petition the
20 court to remove the custodial trustee for cause and designate
21 a successor custodial trustee, to require the custodial
22 trustee to furnish a bond or other security for the faithful
23 performance of fiduciary duties, or for other appropriate
24 relief.
25 The bill provides means of monitoring and enforcing the
26 custodial trust including provisions requiring the custodial
27 trustee to keep the beneficiary informed, requiring accounting
28 by the custodial trustee, providing protection for the
29 custodial trustee by the statutes of limitation on proceedings
30 against the custodial trustee, and relating to the distribution
31 of the assets on termination of the custodial trust.
32 The bill provides that upon termination of the custodial
33 trust, the custodial property shall be transferred to
34 the beneficiary, if not incapacitated or deceased; to
35 the beneficiary's legal representative or other recipient

1 designated by the court for an incapacitated beneficiary;
2 or upon the death of the beneficiaries as last directed in
3 a writing signed by the beneficiary while not incapacitated
4 and received by the custodial trustee prior to the death, as
5 designated in the instrument that created the custodial trust,
6 or to the estate of the deceased beneficiary.
7 The bill provides the appropriate methods and forms to be
8 used for creating a custodial trust. The bill provides that
9 a custodial trust created under the bill remains subject to
10 the bill despite a subsequent change in the residence of the
11 transferor, the beneficiary, or the custodial trustee or the
12 removal of the custodial trust property from the state of
13 original location.
14 The bill amends the Code section on termination and
15 modification of guardianship (Code section 232D.503) and
16 provides that if the court orders termination of a guardianship
17 and the guardian has custody of the assets, the court must
18 order delivery of the assets to the minor or fiduciary acting
19 under one of the following accounts: uniform transfer to minor
20 account established for the minor; a uniform custodial trust
21 account established for the minor; an educational savings plan
22 trust account; or an ABLE savings plan trust account.
23 The bill amends the amount of money that may be transferred
24 by a fiduciary and the small distribution from $25,000 to
25 $50,000. The bill provides that a person is entitled to
26 the small distributions to any of the following: a uniform
27 transfer to minor account established for the minor; a
28 uniform custodial trust account established for the minor; an
29 educational savings plan trust account; or an ABLE savings plan
30 trust account.
31 The bill amends the cause for termination in a
32 conservatorship by adding the following three conditions: the
33 value of the protected person's property is insufficient to
34 justify the cost of administration involved; that continued
35 administration of the conservatorship is not in the best

1 interest of the protected person; and that a reasonable
2 alternative exists under Code section 633.678 for managing the
3 protected person's assets by clear and convincing evidence.
4 Under current law, the court must only find that the basis for
5 appointment provided in Code section 633.553 or 633.554 is not
6 satisfied.
7 The bill amends the Code section regarding the delivery of
8 assets upon termination of a conservatorship by including that
9 the delivery shall be made to the following parties as ordered
10 by the court: to a custodian under a uniform transfers to a
11 minor account; to a custodial trustee; to an account owner or
12 participant under a educational savings plan trust account; or
13 an ABLE savings plan trust account owner. Current Code only
14 provides for the assets to the person or persons entitled to
15 them.
16 The bill provides that the order for termination shall
17 direct the conservator to deliver any property remaining after
18 the payment of allowed claims and expenses of administration
19 to the fiduciary acting under one or more of the following
20 accounts: a uniform transfer to minor account established for
21 the minor; a uniform custodial trust account established for
22 the minor; an educational savings plan trust account; or an
23 ABLE savings plan trust account. The bill also increases the
24 threshold at which a court may terminate a conservatorship for
25 having minimal assets of a minor protected person from $25,000
26 to $50,000.