

**House File 2344 - Introduced**

HOUSE FILE 2344

BY GUSTOFF

**A BILL FOR**

1 An Act relating to trusts, including irrevocable trusts, trust  
2 petitions, and trust proceedings.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 633A.2203, subsection 5, Code 2024, is  
2 amended to read as follows:

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

20 Sec. 2. Section 633A.6202, subsection 1, Code 2024, is  
21 amended to read as follows:

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

26 Sec. 3. Section 633A.6202, subsection 2, paragraphs e, f, h,  
27 i, j, and k, Code 2024, are amended to read as follows:

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

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

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

35 i. Fix or allow payment of the ~~trustee's~~ compensation of the

1 trustee or any trust director or trust protector or review the  
2 reasonableness of the compensation.

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

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

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with  
9 the explanation's substance by the members of the general assembly.

10 This bill relates to trusts, including irrevocable trust  
11 provisions, petitions, and proceedings.

12 The bill provides that a spendthrift provision may help  
13 implement a material purpose of a trust. The bill provides  
14 that spendthrift provisions, or provisions giving the  
15 trustee discretion to distribute income or principal to a  
16 beneficiary or among beneficiaries, shall be enforceable  
17 against beneficiaries and third parties that (1) try to force  
18 the trustee to do something against the provisions of the trust  
19 or (2) try to gain access to the trust assets. A spendthrift  
20 provision, or a provision giving the trustee discretion to  
21 distribute income or principal to a beneficiary or among  
22 beneficiaries, shall not create a presumption that the settlor  
23 would not want the trust modified or terminated if doing so  
24 would be in the best interests of the beneficiaries and all the  
25 beneficiaries consent to the modification or termination of the  
26 trust.

27 The bill allows an interested party, in addition to a trustee  
28 or beneficiary of a trust, to petition the court about the  
29 internal affairs of the trust or to determine the trust. The  
30 bill also expands the scope of the proceedings to include the  
31 following: (1) to settle accounts and pass upon the acts of  
32 the trust director or trust protector, (2) to instruct the  
33 trust director or trust protector, (3) to grant or modify  
34 powers of the trust director or trust protector, (4) fix the  
35 compensation of the trust director or trust protector, (5) to

1 appoint or remove the trust director or trust protector, and  
2 (6) to accept the resignation of the trust director or trust  
3 protector.