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**SUBSTITUTE SENATE BILL 6198**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators Moore, Johnson, A. Smith, von Reichbauer, Niemi and Snyder)

Read first time 02/07/92.

1 AN ACT Relating to trustee's duties of disclosure; amending RCW  
2 11.106.020; and adding a new section to chapter 11.106 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 11.106.020 and 1985 c 30 s 96 are each amended to read  
5 as follows:

6 The trustee or trustees appointed by any will, deed, or agreement  
7 executed shall mail or deliver at least annually to each adult income  
8 trust beneficiary a written itemized statement of all current receipts  
9 and disbursements made by the trustee of the funds of the trust both  
10 principal and income, and a notice informing the beneficiary of the  
11 beneficiary's right to receive a copy of the trust instrument. Upon  
12 the request of any such beneficiary the trustee shall furnish the  
13 beneficiary an itemized statement of all property then held by that

1 trustee, and may also file any such statement in the superior court of  
2 the county in which the trustee or one of the trustees resides.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 11.106 RCW  
4 to read as follows:

5 (1) The trustee or trustees, including institutional trustees,  
6 appointed by any will, deed, or agreement shall, within ninety days of  
7 the event that makes the trust effective, notify each income  
8 beneficiary, including minor income beneficiaries, in writing of the  
9 entire contents, terms, and conditions of the trust. Notification to  
10 minor income beneficiaries shall be made to a parent, legal guardian,  
11 or any other person deemed suitable to the trustee. Notification shall  
12 also include, in the case of institutional trustees, the name, business  
13 address, and phone number of an individual employee of the  
14 institution's trust department who may be contacted by a beneficiary  
15 who has questions regarding the trust.

16 (2) Subsequent to the original notification, all income  
17 beneficiaries shall thereafter be notified annually, as part of the  
18 disclosure required by RCW 11.106.020, of their right to receive a copy  
19 of the trust instrument, and of the fact that the trust instrument may  
20 contain important information affecting the beneficiary's financial  
21 interests. Annual notice shall include a caveat that, if the  
22 beneficiary is a minor or legally incompetent person, legal planning,  
23 financial planning, or other appropriate professional advice should be  
24 timely sought to protect the beneficiary's interests.

25 (3) For purposes of this section, the term "income beneficiary"  
26 means the person to whom the income is presently payable or for whom it  
27 is accumulated for distribution as income.