

SENATE BILL REPORT

SSB 6004

AS PASSED SENATE, FEBRUARY 1, 1994

Brief Description: Changing limitations on trustee's powers.

SPONSORS: Senate Committee on Law & Justice (originally sponsored by Senator A. Smith)

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 6004 be substituted therefor, and the substitute bill do pass.

Signed by Senators A. Smith, Chairman; Ludwig, Vice Chairman; Nelson, Quigley, Roach and Spanel.

Staff: Susan Mahoney (786-7717)

Hearing Dates: January 12, 1994

BACKGROUND:

In 1993 legislation was enacted to limit powers of trustees. These changes were introduced to remedy federal estate and gift tax problems that arise when a trustee or another person is deemed to hold a "general power of appointment" thereby inadvertently triggering federal estate or gift tax where those taxes would not have otherwise applied.

Since the legislation was enacted it has been noted two sections of the act contain incorrect references. It was also noted one such reference contained in a phrase is unnecessary because the provisions of the phrase are already covered in another section of the act.

The Washington State Bar Association recommends technical revisions be made to correct these problems. The Washington State Bar Association has also recommended a cross-reference to another provision be included to help clarify the act.

SUMMARY:

Technical revisions are made to correct and clarify previously enacted legislation limiting powers of trustees.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The bill makes technical revisions that clarify and correct previously enacted legislation.

TESTIMONY AGAINST: None

TESTIFIED: Jim Montgomery, Washington State Bar Association
Legislative Committee