

SENATE BILL REPORT

SB 6004

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, JANUARY 12, 1994

Brief Description: Changing limitations on trustee's powers.

SPONSORS: 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 that two sections of the act contain incorrect references. It was also noted that one such reference is contained in a phrase that is unnecessary because the provisions of the phrase are already covered in another section of the act.

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

SUMMARY:

The original bill was not considered.

EFFECT OF PROPOSED SUBSTITUTE:

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