

SENATE BILL REPORT

SB 6120

As Reported By Senate Committee On:
Judiciary, January 14, 2004

Title: An act relating to trust and estate management.

Brief Description: Managing trust and estates.

Sponsors: Senators Esser, Kline, McCaslin, Winsley and Roach.

Brief History:

Committee Activity: Judiciary: 1/14/04 [DP].

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass.

Signed by Senators McCaslin, Chair; Esser, Vice Chair; Brandland, Haugen, Johnson, Kline, Roach and Thibaudeau.

Staff: Aldo Melchiori (786-7439)

Background: Securities may be registered in beneficial form under the Uniform Transfer on Death Security Registration Act. "Beneficial form" means a registration of a security that indicates the present owner of the security and the intention of the owner regarding the person who will become the owner of the security upon the death of the owner. In 2003, the definition of "security account," an account associated with a security, was amended to include investment or management or custody accounts with a trust company or bank with trust powers.

Upon death, the decedent's personal representative administers the probate estate. The personal representative gives notice of the death to creditors with potential claims against the estate. The notice requirements are specified by statute. A beneficiary or trustee can give notice to creditors, using similar procedures, for settling creditor claims involving estates passing without probate.

Summary of Bill: The definition of "security account" is clarified to include any agency account dealing with securities. Instead of requiring that the notice to creditors must be in the exact form specified in statute, substantial compliance is acceptable. The notice form is also changed to clarify where claims are to be filed, include court cause numbers, and to correct internal references. Other purely technical changes are made to clarify where notices and claims are published and filed.

In the administration of trusts, one or more co-trustee(s) may be added, without court approval, to serve with existing trustee(s) if the trustor, beneficiaries, and present trustee(s) agree to do so. Prior to the addition, each affected party must be given notice and a form on which to indicate their approval or objection. If there is agreement to add a trustee, the

agreement is filed with the court and is equivalent to a court order binding all persons interested in the trust.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This language clears up procedural issues.

Testimony Against: None.

Testified: Al Falk, Washington State Bar Association (pro).