



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5023

Introduced 2/10/2026, by Rep. Daniel Didech

SYNOPSIS AS INTRODUCED:

760 ILCS 3/822 new

Amends the Article in the Illinois Trust Code governing the duties and powers of trustees to provide a procedure for settlement of accounts. Provides that a trustee may obtain a settlement of its accounts if a trust terminates under the terms of the trust, a trust terminates early, a trustee resigns or is removed, or a trustee seeks discharge of an interim accounting period if the interest of one or more beneficiaries has terminated and the trust is continuing. Provides that a trustee who elects to use the new provisions must provide notice and a statement of information to the qualified beneficiaries of the trust and the successor trustee, if applicable, within a reasonable time after termination of the trust under its terms, the resignation or removal of the trustee, or the end of the period for which the trustee is seeking discharge. Provides that, if, after receiving the notice and trust information, a qualified beneficiary or any other party that received the notice and trust information objects to a disclosed act or omission, the qualified beneficiary must provide written notice of the objection to the trustee not later than 60 days after the notice was sent by the trustee. Provides that, if no written objection is provided in the 60-day time period, the information provided is considered approved by the recipient. Requires the trustee, in the case of a trust terminating under the terms of the trust or the trustee's resignation or removal, within a reasonable period of time following the expiration of the 60-day time period, to distribute the assets as provided in the trust or to the successor trustee. Provides that, if a qualified beneficiary gives the trustee a written objection within the applicable 60-day time period, the trustee or the qualified beneficiary may (i) submit the written objection to the court for resolution and charge the expense of commencing a proceeding to the trust or (ii) resolve the objection by a nonjudicial settlement agreement or other written agreement. Makes other changes.

LRB104 19374 JRC 32822 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Trust Code is amended by adding
5 Section 822 as follows:

6 (760 ILCS 3/822 new)

7 Sec. 822. Settlement of accounts.

8 (a) A trustee may obtain a settlement of its accounts
9 under subsection (b) if:

10 (1) a trust terminates under the terms of the trust;

11 (2) a trust terminates early under Section 414;

12 (3) a trustee resigns or is removed; or

13 (4) a trustee seeks discharge of an interim accounting
14 period when the interest of one or more beneficiaries has
15 terminated and the trust is continuing.

16 (b) (1) A trustee who elects to proceed under this Section
17 shall provide all of the following to the qualified
18 beneficiaries of the trust and the successor trustee, if
19 applicable, within a reasonable time after termination of the
20 trust under its terms, the resignation or removal of the
21 trustee, or the end of the period for which the trustee is
22 seeking discharge:

23 (A) a statement showing the market value, as set forth

1 on the most recent accounting as determined under Section
2 813.1 or 813.2 of the new assets to be distributed from a
3 terminating trust or to a successor trustee;

4 (B) a trust accounting for the prior 5 years showing
5 all receipts and disbursements and inventory value of the
6 net assets;

7 (C) an estimate for any items reasonably anticipated
8 to be received or disbursed;

9 (D) the amount of any fees, including trustee fees,
10 remaining to be paid;

11 (E) notice that the trust is terminating, or that the
12 trustee has resigned or been removed, the time period for
13 which the trustee seeks discharge of its accounts, and a
14 statement providing that claims against a trustee under
15 Sections 604 and 1005, if applicable, are barred if no
16 objections are received within the time period described
17 in subsection (c);

18 (F) the name and mailing address of the trustee;

19 (G) the name and telephone number of a person who may
20 be contacted for additional information; and

21 (H) a statement that the trustee is unaware of any
22 undisclosed information that could give rise to a claim by
23 an interested party.

24 (2) The trustee may also provide the statement and notice
25 described in this subsection to any other person who the
26 trustee reasonably believes may have an interest in the trust.

1 (3) The statement and notice described in this subsection
2 shall be provided to the qualified beneficiaries and any
3 interested party from whom the trustee is seeking a release
4 via first class mail and certified mail, return receipt
5 requested.

6 (c) (1) If, after receiving the notice and trust
7 information described in subsection (b), a qualified
8 beneficiary or any other party that received the notice and
9 trust information objects to a disclosed act or omission, the
10 qualified beneficiary shall provide written notice of the
11 objection to the trustee no later than 60 days after the notice
12 was sent by the trustee. If no written objection is provided in
13 the 60-day time period, the information provided under
14 subsection (b) is considered approved by the recipient. The
15 trustee, in the case of a trust terminating under the terms of
16 the trust or the trustee's resignation or removal, within a
17 reasonable period of time following the expiration of the
18 60-day time period, shall distribute the assets as provided in
19 the trust or to the successor trustee. If a qualified
20 beneficiary gives the trustee a written objection within the
21 applicable 60-day time period, the trustee or the qualified
22 beneficiary may:

23 (A) submit the written objection to the court for
24 resolution and charge the expense of commencing a
25 proceeding to the trust; or

26 (B) resolve the objection by a nonjudicial settlement

1 agreement or other written agreement.

2 (2) Any agreement entered into under paragraph (1) may
3 include a release, an indemnity clause, or both, on the part of
4 the beneficiary against the trustee relating to the trust. If
5 the parties agree to a nonjudicial settlement agreement or
6 other written agreement, any related expenses shall be charged
7 to the trust. Upon a resolution of an objection under this
8 subsection, within a reasonable period of time, the trustee
9 shall distribute the remaining trust assets as provided in the
10 trust or to the successor trustee.

11 (3) A trustee who elects to terminate a trust under this
12 Section and sends the notice and statement to the qualified
13 beneficiaries within a reasonable time following notification
14 of an event that terminates a trust is considered to have
15 expeditiously made distribution to the qualified beneficiaries
16 in which distribution of trust assets occurs following within
17 a reasonable time following the expiration of the 60-day time
18 period in paragraph (1).

19 (d) The trustee may rely upon the written statement of a
20 person receiving notice that the person does not object.

21 (e) When a trustee distributes assets of a terminating
22 trust or to the successor trustee after complying with this
23 Article and having received no objections, each person who
24 received notice and either consented or failed to object under
25 this Section is barred from:

26 (1) bringing a claim against the trustee or

1 challenging the validity of the trust to the same extent
2 and with the same preclusive effect as if the court had
3 entered a final order approving the trustee's final
4 account; or

5 (2) bringing a claim against the trustee for the
6 period of the interim accounts to the same extent and with
7 the same preclusive effect as if the court had entered a
8 final order approving the trustee's interim accounts.

9 (f) The court, as determined under Section 202, has
10 exclusive jurisdiction over matters under this Section.

11 (g) Sections 3301 through 304 apply to this Section.

12 (h) Nothing in this Section precludes a trustee from
13 proceeding under Section 7201 to have the trustee's accounts
14 reviewed and settled by the court.