

HB2056



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB2056

Introduced 2/18/2009, by Rep. Michael J. Madigan - Barbara Flynn Currie - Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

760 ILCS 5/4.26

Amends the Trusts and Trustees Act. Makes a technical change in a Section concerning small trust termination.

LRB096 05585 AJO 15651 b

A BILL FOR

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 Trusts and Trustees Act is amended by
5 changing Section 4.26 as follows:

6 (760 ILCS 5/4.26)

7 Sec. 4.26. Small trust termination. To terminate the ~~the~~
8 trust and distribute the trust estate, including principal and
9 accrued and undistributed income, if the trustee determines, in
10 the trustee's sole discretion with the consent of the
11 recipients, that the market value of a trust is less than
12 \$100,000 and that the costs of continuing the trust will
13 substantially impair accomplishment of the purpose of the
14 trust.

15 Distribution shall be made to the persons then entitled to
16 receive or eligible to have the benefit of the income from the
17 trust in the proportions in which they are entitled thereto, or
18 if their interests are indefinite, to those persons per stirpes
19 if they have a common ancestor, or if not, then in equal
20 shares. The trustee shall give notice to the persons at least
21 30 days prior to the effective date of the termination.

22 If a particular trustee is an income beneficiary of the
23 trust or is legally obligated to an income beneficiary, then

1 that particular trustee may not participate as a trustee in the
2 exercise of this termination power; provided, however, that if
3 the trust has one or more co-trustees who are not so
4 disqualified from participating, the co-trustee or co-trustees
5 may exercise this power.

6 This Section shall not apply to the extent that it would
7 cause a trust otherwise qualifying for a federal or State tax
8 benefit or other benefit not to so qualify, nor shall it apply
9 to trusts for domestic or pet animals.

10 The provisions of this amendatory Act of the 95th General
11 Assembly apply to all trusts created before, on, or after its
12 effective date.

13 (Source: P.A. 95-605, eff. 6-1-08.)