



**Colorado
Legislative
Council
Staff**

SB16-085

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0133
Prime Sponsor(s): Sen. Steadman
Rep. Willett

Date: July 27, 2016
Bill Status: Signed into Law
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: UNIFORM TRUST DECANTING ACT

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Potential minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing potential minimal workload increase.		

Summary of Legislation

This bill allows a trustee to reform an irrevocable trust document within reasonable limits that ensure the trust will achieve the settlor’s original intent. The act prevents decanting—a term to describe the distribution of assets from one trust into a second trust—when it would defeat a charitable or tax-related purpose of the settlor.

Background

The Colorado Commission on Uniform State Laws, which recommended this bill, is charged with working with the national Uniform Law Commission (ULC) to promote uniformity in state laws where uniformity may be deemed desirable and practicable. This is achieved by developing proposed uniform legislation through the ULC that can be adopted by the various state legislatures. Colorado's commissioners are required to be attorneys admitted to practice law in Colorado. Members include six attorneys appointed or reappointed by joint resolution of the General Assembly; any Colorado citizen who is elected as a life member of the ULC (after twenty years of membership); and the Director of the Office of Legislative Legal Services, or the Director's designee. The Office of Legislative Legal Services provides assistance to the legislative members of the Colorado Commission in their efforts to enact legislation regarding uniform acts.

State Expenditures

This bill may result in a minimal increase in workload for trial courts in the Judicial Department. Under the bill, courts will need to be involved in decanting approvals and contestations. Any court rulings involving decanting would require docket and law review time. Such cases are expected to be infrequent and can be addressed within existing appropriations.

Effective Date

The bill was signed into law by the Governor on June 6, 2016, and takes effect August 10, 2016, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial

Law

Revenue