



General Assembly

January Session, 2003

Raised Bill No. 977

LCO No. 3364

Referred to Committee on Judiciary

Introduced by:
(JUD)

AN ACT ADOPTING THE CONNECTICUT UNIFORM TRUST CODE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2004*) Sections 1 to 85,
2 inclusive, of this act may be cited as the "Connecticut Uniform Trust
3 Code".

4 Sec. 2. (NEW) (*Effective January 1, 2004*) Sections 1 to 85, inclusive, of
5 this act apply to express trusts, whether testamentary or inter vivos
6 and whether charitable or noncharitable, and trusts created pursuant
7 to a statute, judgment or decree that requires the trust to be
8 administered in the manner of an express trust.

9 Sec. 3. (NEW) (*Effective January 1, 2004*) For the purposes of sections
10 1 to 85, inclusive, of this act:

11 (1) "Action", with respect to an act of a trustee, includes a failure to
12 act.

13 (2) "Beneficiary" means a person that (A) has a present or future
14 beneficial interest in a trust, vested or contingent, or (B) in a capacity
15 other than that of trustee, holds a power of appointment over trust

16 property.

17 (3) "Charitable trust" means a trust, or portion of a trust, created for
18 a charitable purpose described in subsection (a) of section 25 of this
19 act.

20 (4) "Conservator" means a person appointed by the court to
21 administer the estate of a minor or adult individual and includes a
22 guardian of the estate of a minor.

23 (5) "District" means, for purposes of venue, the district of the court
24 having or accepting jurisdiction over the proceeding.

25 (6) "Environmental law" means a federal, state or local law, rule,
26 regulation or ordinance relating to protection of the environment.

27 (7) "Guardian" means a person appointed by the court to make
28 decisions regarding the support, care, education, health and welfare of
29 a minor or adult individual and includes a conservator of the person of
30 an adult, but does not include a guardian ad litem.

31 (8) "Interests of the beneficiaries" means the beneficial interests
32 provided in the terms of the trust.

33 (9) "Inter vivos trust" means any trust that is not a testamentary
34 trust.

35 (10) "Jurisdiction", with respect to a geographic area, includes a state
36 or country.

37 (11) "Permissible distributee" means a beneficiary who is currently
38 entitled to or eligible to receive a distribution from a trust.

39 (12) "Person" means an individual, corporation, business trust,
40 estate, trust, partnership, limited liability company, association, joint
41 venture, court, government, governmental subdivision, agency or
42 instrumentality, public corporation or any other legal or commercial
43 entity.

44 (13) "Power of withdrawal" means a presently exercisable general
45 power of appointment other than a power exercisable only upon
46 consent of the trustee or a person holding an adverse interest.

47 (14) "Property" means anything that may be the subject of
48 ownership, whether real or personal and whether legal or equitable, or
49 any interest therein.

50 (15) "Qualified beneficiary" means a beneficiary who, on the date the
51 beneficiary's qualification is determined: (A) Is a distributee or
52 permissible distributee of trust income or principal; (B) would be a
53 distributee or permissible distributee of trust income or principal if the
54 interests of the distributees described in subparagraph (A) of this
55 subdivision terminated on such date; or (C) would be a distributee or
56 permissible distributee of trust income or principal if the trust
57 terminated on such date.

58 (16) "Revocable", as applied to a trust, means revocable by the
59 settlor without the consent of the trustee or a person holding an
60 adverse interest.

61 (17) "Settlor" means a person, including a testator, who creates or
62 contributes property to a trust. If more than one person creates or
63 contributes property to a trust, each person is a settlor of the portion of
64 the trust property attributable to such person's contribution, except to
65 the extent another person has the power to revoke or withdraw such
66 portion.

67 (18) "Spendthrift provision" means a term of a trust that restrains
68 both voluntary and involuntary transfer of a beneficiary's interest.

69 (19) "State" means a state of the United States, the District of
70 Columbia, Puerto Rico, the United States Virgin Islands or any
71 territory or insular possession subject to the jurisdiction of the United
72 States, and includes an Indian tribe or band recognized by federal law
73 or formally acknowledged by a state.

74 (20) "Terms of a trust" or "terms of the trust" means the
75 manifestation of the settlor's intent regarding a trust's provisions as
76 expressed in the trust instrument or as may be established by other
77 evidence that would be admissible in a judicial proceeding.

78 (21) "Testamentary trust" means a trust created under a will or any
79 other trust created, authorized or approved by order of a probate
80 court.

81 (22) "Trust instrument" means an instrument executed by the settlor
82 that contains terms of the trust, including any amendments thereto.

83 (23) "Trustee" includes an original, additional and successor trustee
84 and a cotrustee.

85 Sec. 4. (NEW) (*Effective January 1, 2004*) (a) Subject to subsection (b)
86 of this section, for the purposes of sections 1 to 85, inclusive, of this act,
87 a person has knowledge of a fact if the person (1) has actual
88 knowledge of it, (2) has received a notice or notification of it, or (3)
89 from all the facts and circumstances known to the person at the time in
90 question, has reason to know it.

91 (b) An organization that conducts activities through employees has
92 notice or knowledge of a fact involving a trust only from the time the
93 information was received by an employee having responsibility to act
94 for the trust, or from the time the information would have been
95 brought to the employee's attention if the organization had exercised
96 reasonable diligence. An organization exercises reasonable diligence if
97 it maintains reasonable routines for communicating significant
98 information to the employee having responsibility to act for the trust
99 and there is reasonable compliance with the routines. Reasonable
100 diligence does not require an employee of the organization to
101 communicate information unless the communication is part of the
102 individual's regular duties or the individual knows a matter involving
103 the trust would be materially affected by the information.

104 Sec. 5. (NEW) (*Effective January 1, 2004*) (a) Except as otherwise
105 provided in the terms of the trust, sections 1 to 85, inclusive, of this act
106 govern the duties and powers of a trustee, relations among trustees
107 and the rights and interests of a beneficiary.

108 (b) The terms of a trust prevail over any provision of sections 1 to
109 85, inclusive, of this act except: (1) The requirements for creating a
110 trust; (2) the duty of a trustee to act in good faith and in accordance
111 with the purposes of the trust; (3) the requirement of section 24 of this
112 act that a trust have a purpose that is lawful, not contrary to public
113 policy and possible to achieve; (4) the power of the court to modify or
114 terminate a trust pursuant to sections 30 to 36, inclusive, of this act; (5)
115 the effect of a spendthrift provision and the rights of certain creditors
116 and assignees to reach a trust as provided in sections 38 to 44,
117 inclusive, of this act; (6) the power of the court under section 50 of this
118 act to require, dispense with, modify or terminate a bond; (7) the
119 power of the court under subsection (b) of section 56 of this act to
120 adjust a trustee's compensation specified in the terms of the trust that
121 is unreasonably low or high; (8) with respect to the qualified
122 beneficiaries of a revocable trust that has become irrevocable who have
123 attained twenty-one years of age, the duty under subdivision (3) of
124 subsection (b) of section 66 of this act to notify them of the existence of
125 the trust, of the identity of the trustee, and of their right, unless waived
126 or modified by the terms of the trust, to request trustee's reports; (9)
127 with respect to the qualified beneficiaries of a testamentary trust or an
128 inter vivos trust created pursuant to a court approved settlement who
129 have attained twenty-one years of age, the duties under subsections (a)
130 and (b) of section 66 of this act; (10) the duty under subdivision (2) of
131 subsection (a) of section 66 of this act to respond to the request of a
132 qualified beneficiary of an irrevocable trust for information reasonably
133 related to the administration of a trust; (11) the effect of an exculpatory
134 term under section 77 of this act; (12) the rights under sections 79 to 82,
135 inclusive, of this act, of a person other than a trustee or beneficiary;
136 (13) periods of limitation for commencing a judicial proceeding; (14)
137 the power of the court to take such action and exercise such

138 jurisdiction as may be necessary in the interests of justice; (15) the
139 subject matter jurisdiction of the court and venue for commencing a
140 proceeding as provided in sections 14 and 15 of this act; or (16) the
141 provisions of sections 1 to 85, inclusive, of this act specifically dealing
142 with the supervision of testamentary trusts by the court.

143 Sec. 6. (NEW) (*Effective January 1, 2004*) The common law of trusts
144 and principles of equity supplement sections 1 to 85, inclusive, of this
145 act, except to the extent modified by sections 1 to 85, inclusive, of this
146 act or another statute of this state.

147 Sec. 7. (NEW) (*Effective January 1, 2004*) (a) The meaning and effect
148 of the terms of an inter vivos trust are determined by: (1) The law of
149 the jurisdiction designated in the terms of the trust, unless the
150 designation of such jurisdiction's law is contrary to a strong public
151 policy of the jurisdiction having the most significant relationship to the
152 matter at issue; or (2) in the absence of a controlling designation in the
153 terms of the trust, the law of the jurisdiction having the most
154 significant relationship to the matter at issue.

155 (b) The meaning and effect of the terms of a testamentary trust are
156 determined by the law of this state.

157 Sec. 8. (NEW) (*Effective January 1, 2004*) (a) Without precluding other
158 means for establishing a sufficient connection with the designated
159 jurisdiction, terms of a trust designating the principal place of
160 administration are valid and controlling if: (1) A trustee's principal
161 place of business is located in or a trustee is a resident of the
162 designated jurisdiction; or (2) all or part of the administration occurs in
163 the designated jurisdiction.

164 (b) A trustee is under a continuing duty to administer the trust at a
165 place appropriate to its purposes, its administration and the interests
166 of the beneficiaries.

167 (c) The principal place of administration of a testamentary trust

168 shall be (1) in the case of a trust created under a will, in the district in
169 which the settlor's estate was or is being administered, (2) in the case of
170 any other trust created, authorized or approved by order of the
171 Probate Court, in the district in which the court creating the trust is
172 located, or (3) in the case of a trust transferred to this state subject to
173 the continuing supervision of the court, the district in which the
174 trustee's principal place of business is located, where the trustee
175 resides or where all or part of the administration occurs.

176 (d) Without precluding the right of the court to order, approve or
177 disapprove a transfer, the trustee of an inter vivos trust, and the trustee
178 of a testamentary trust with court approval, in furtherance of the duty
179 prescribed by subsection (b) of this section, may transfer the trust's
180 principal place of administration to another state or to a jurisdiction
181 outside of the United States.

182 (e) The trustee of an inter vivos trust shall notify the qualified
183 beneficiaries of a transfer of a trust's principal place of administration
184 not less than sixty days before initiating the transfer. The notice of the
185 transfer must include: (1) The name of the jurisdiction to which the
186 principal place of administration is to be transferred; (2) the address
187 and telephone number at the new location at which the trustee can be
188 contacted; (3) an explanation of the reasons for the transfer; and (4) the
189 date on which the transfer is anticipated to occur.

190 (f) In connection with a transfer of the trusts' principal place of
191 administration, the trustee may transfer some or all of the trust
192 property to a successor trustee designated in the terms of the trust or
193 appointed pursuant to section 52 of this act.

194 Sec. 9. (NEW) (*Effective January 1, 2004*) (a) Notice to a person under
195 sections 1 to 85, inclusive, of this act, or the sending of a document to a
196 person under sections 1 to 85, inclusive, of this act, must be
197 accomplished in a manner reasonably suitable under the circumstances
198 and likely to result in receipt of the notice or document. Permissible
199 methods of notice or for sending a document include first-class mail,

200 personal delivery, delivery to the person's last-known place of
201 residence or place of business, or a properly directed electronic
202 message, if the person has consented in advance to receive notice by
203 electronic message.

204 (b) Notice otherwise required under sections 1 to 85, inclusive, of
205 this act, or a document otherwise required to be sent pursuant to
206 sections 1 to 85, inclusive, of this act need not be provided to a person
207 whose identity or location is unknown to and not reasonably
208 ascertainable by the trustee.

209 (c) Notice under sections 1 to 85, inclusive, of this act or the sending
210 of a document under sections 1 to 85, inclusive, of this act may be
211 waived by the person to be notified or to be sent the document.

212 (d) Notice of a judicial proceeding must be given as provided in any
213 applicable court rules.

214 Sec. 10. (NEW) (*Effective January 1, 2004*) (a) A charitable
215 organization expressly mandated to receive distributions under the
216 terms of a charitable trust or a person appointed to enforce a trust
217 created for the care of an animal or another noncharitable purpose as
218 provided in section 28 or 29 of this act has the rights of a qualified
219 beneficiary under sections 1 to 85, inclusive, of this act.

220 (b) The Attorney General has the rights of a qualified beneficiary
221 with respect to a charitable trust having its principal place of
222 administration in this state.

223 Sec. 11. (NEW) (*Effective January 1, 2004*) (a) For the purposes of this
224 section, "interested persons" means persons whose consent would be
225 required in order to achieve a binding settlement were the settlement
226 to be approved by the court.

227 (b) Except as otherwise provided in subsections (c) and (e) of this
228 section, interested persons may enter into a binding nonjudicial
229 settlement agreement with respect to any matter involving an inter

230 vivos trust.

231 (c) A nonjudicial settlement agreement is valid only to the extent it
232 does not violate a material purpose of the trust and includes terms and
233 conditions that could be properly approved by the court under
234 sections 1 to 85, inclusive, of this act or other applicable law.

235 (d) Matters that may be resolved by a nonjudicial settlement
236 agreement include: (1) The interpretation or construction of the terms
237 of the trust; (2) the approval of a trustee's report or accounting; (3)
238 direction to a trustee to refrain from performing a particular act or the
239 grant to a trustee of any necessary or desirable power; (4) the
240 resignation or appointment of a trustee and the determination of a
241 trustee's compensation; (5) transfer of a trust's principal place of
242 administration; and (6) liability of a trustee for an action relating to the
243 trust.

244 (e) A nonjudicial settlement agreement may not modify or terminate
245 an irrevocable trust. Such modification or termination may only be
246 accomplished under the provisions of sections 21 to 37, inclusive, of
247 this act.

248 (f) Any interested person may request the court to approve a
249 nonjudicial settlement agreement, to determine whether the
250 representation as provided in sections 16 to 20, inclusive, of this act
251 was adequate, and to determine whether the agreement contains terms
252 and conditions the court could have properly approved.

253 Sec. 12. (NEW) (*Effective January 1, 2004*) (a) A testamentary trust is
254 subject to continuing judicial supervision. For this purpose, a
255 testamentary trust shall include any trust created under the laws of
256 another jurisdiction, the principal place of administration of which is
257 transferred to this state and expressly made subject to the continuing
258 supervision of the court by the transferring court or document of
259 transfer.

260 (b) The court may intervene in the administration of an inter vivos
261 trust to the extent its jurisdiction is invoked by an interested person or
262 as provided by law.

263 (c) An inter vivos trust is not subject to continuing judicial
264 supervision.

265 (d) A judicial proceeding involving a trust may relate to any matter
266 involving the trust's administration, including, but not limited to, a
267 proceeding to: (1) Request instructions or declare rights; (2) approve a
268 nonjudicial settlement; (3) interpret or construe the terms of a trust; (4)
269 determine the validity of a trust or of any of its terms; (5) approve a
270 trustee's report or accounting or compel a trustee to report or account;
271 (6) direct a trustee to refrain from performing a particular act or grant
272 to a trustee any necessary or desirable power; (7) review the actions of
273 a trustee, including the exercise of a discretionary power; (8) accept the
274 resignation of a trustee; (9) appoint or remove a trustee; (10) determine
275 a trustee's compensation; (11) transfer a trust's principal place of
276 administration or a trust's property to another jurisdiction; (12)
277 determine the liability of a trustee for an action relating to the trust and
278 compel redress of a breach of trust by any available remedy; (13)
279 modify or terminate a trust; (14) combine trusts or divide a trust; (15)
280 determine liability of a trust for debts of a beneficiary and living
281 settlor; or (16) determine liability of a trust for debts, expenses of
282 administration and statutory allowances chargeable against the estate
283 of a deceased settlor.

284 Sec. 13. (NEW) (*Effective January 1, 2004*) (a) By accepting the
285 trusteeship of a trust having its principal place of administration in this
286 state, or by moving the principal place of administration to this state,
287 the trustee submits personally to the jurisdiction of the courts of this
288 state regarding any matter involving the trust.

289 (b) With respect to their interests in the trust, the beneficiaries of a
290 trust having its principal place of administration in this state are
291 subject to the jurisdiction of the courts of this state regarding any

292 matter involving the trust. By accepting a distribution from such a
293 trust, the recipient submits personally to the jurisdiction of the courts
294 of this state regarding any matter involving the trust.

295 (c) This section does not preclude other methods of obtaining
296 jurisdiction over a trustee, beneficiary or other person receiving
297 property from the trust.

298 Sec. 14. (NEW) (*Effective January 1, 2004*) (a) The Probate Court has
299 exclusive jurisdiction of proceedings in this state brought by a trustee
300 or beneficiary concerning the administration of a testamentary trust.

301 (b) The Probate Court and the Superior Court have concurrent
302 jurisdiction of other proceedings involving a trust.

303 Sec. 15. (NEW) (*Effective January 1, 2004*) (a) Venue for a judicial
304 proceeding in the Superior Court involving a trust shall be as provided
305 in chapter 890 of the general statutes.

306 (b) Except as otherwise provided in subsection (c) of this section,
307 venue for a judicial proceeding in a court of probate involving: (1) An
308 inter vivos trust is, in the following order of priority: (A) In the district
309 of this state in which the trust's principal place of administration is or
310 will be located, (B) in the district of this state where any trustee resides
311 or has a principal place of business, or (C) in the district of this state
312 where the settlor's estate was or is being administered; or (2) a
313 testamentary trust is in the district of this state in which the trust's
314 principal place of administration is located.

315 (c) If a trust has no trustee, venue for a judicial proceeding in a court
316 of probate for the appointment of a trustee is: (1) In the case of an inter
317 vivos trust, in the following order of priority: (A) In a district of this
318 state in which a beneficiary resides, (B) in a district of this state in
319 which any trust property is located, or (C) in the district of this state in
320 which the trust's principal place of administration is located; or (2) in
321 the case of a testamentary trust, in the district of this state in which the

322 trust's principal place of administration is located.

323 (d) A judicial proceeding other than one described in subsection (b)
324 or (c) of this section must be commenced in accordance with the rules
325 of venue applicable to civil actions.

326 Sec. 16. (NEW) (*Effective January 1, 2004*) (a) Notice to a person who
327 may represent and bind another person under sections 16 to 20,
328 inclusive, of this act has the same effect as if notice were given directly
329 to the other person.

330 (b) The consent of a person who may represent and bind another
331 person under sections 16 to 20, inclusive, of this act is binding on the
332 person represented unless the person represented objects to the
333 representation before the consent would otherwise have become
334 effective.

335 (c) Except as otherwise provided in sections 31 and 46 of this act, a
336 person who under sections 16 to 20, inclusive, of this act may represent
337 a settlor who lacks capacity may receive notice and give a binding
338 consent on the settlor's behalf.

339 (d) Notwithstanding any provision of the general statutes, sections
340 16 to 20, inclusive, of this act shall apply to all judicial proceedings and
341 all nonjudicial settlements, agreements or acts under sections 1 to 85,
342 inclusive, of this act and under any other provisions of the general
343 statutes pertaining to trust matters.

344 (e) For the purposes of this section, "represent" shall not be
345 construed to permit a person who has not been admitted as an
346 attorney pursuant to section 51-80 of the general statutes to serve as
347 legal counsel for any other person in any matter arising under sections
348 1 to 85, inclusive, of this act.

349 Sec. 17. (NEW) (*Effective January 1, 2004*) To the extent there is no
350 conflict of interest between the holder of a power of appointment and
351 the persons represented with respect to the particular question or

352 dispute: (1) The sole holder or all coholders of any power of
353 appointment, whether or not presently exercisable, shall represent the
354 potential appointees; and (2) the sole holder or all coholders of a power
355 of revocation or a general power of appointment, including one in the
356 form of a power of amendment, shall also represent the takers in
357 default of the exercise thereof.

358 Sec. 18. (NEW) (*Effective January 1, 2004*) To the extent there is no
359 conflict of interest between the representative and the person
360 represented or among those being represented with respect to a
361 particular question or dispute: (1) A conservator may represent and
362 bind the estate that the conservator controls; (2) a guardian may
363 represent and bind the ward if a conservator of the ward's estate has
364 not been appointed; (3) an agent having authority to do so may
365 represent and bind the principal; (4) a trustee may represent and bind
366 the beneficiaries of the trust; (5) an executor or administrator of a
367 decedent's estate may represent and bind persons interested in the
368 estate; and (6) if a conservator or guardian has not been appointed, a
369 parent may represent and bind the parent's minor or unborn child.

370 Sec. 19. (NEW) (*Effective January 1, 2004*) Unless otherwise
371 represented, a minor, an incapacitated or unborn individual, or a
372 person whose identity or location is unknown and not reasonably
373 ascertainable, may be represented by and bound by another person
374 having a substantially identical interest with respect to the particular
375 question or dispute, but only to the extent there is no conflict of
376 interest between the representative and the person being represented.

377 Sec. 20. (NEW) (*Effective January 1, 2004*) (a) If the court determines
378 that an interest is not represented under sections 16 to 20, inclusive, of
379 this act, or that the otherwise available representation might be
380 inadequate, the court may appoint a guardian ad litem to receive
381 notice, give consent, and otherwise represent, bind and act on behalf of
382 a minor, an incapacitated or unborn individual, or a person whose
383 identity or location is unknown. A guardian ad litem may be

384 appointed to represent several persons or interests.

385 (b) A guardian ad litem may act on behalf of the individual
386 represented with respect to any matter arising under sections 1 to 85,
387 inclusive, of this act, whether or not a judicial proceeding concerning
388 the trust is pending.

389 (c) In making decisions in any matter, a guardian ad litem may
390 consider general benefit accruing to the living members of the
391 individual's family.

392 Sec. 21. (NEW) (*Effective January 1, 2004*) A trust may be created by:
393 (1) Transfer of property to another person as trustee during the
394 settlor's lifetime or by will or other disposition taking effect upon the
395 settlor's death; (2) declaration by the owner of property that the owner
396 holds identifiable property as trustee; or (3) exercise of a power of
397 appointment in favor of a trustee.

398 Sec. 22. (NEW) (*Effective January 1, 2004*) (a) A trust is created only if:
399 (1) The settlor has capacity to create a trust; (2) the settlor indicates an
400 intention to create the trust; (3) the trust has a definite beneficiary or is
401 (A) a charitable trust, (B) a trust for the care of an animal, as provided
402 in section 28 of this act, or (C) a trust for a noncharitable purpose, as
403 provided in section 29 of this act; and (4) the trustee has duties to
404 perform.

405 (b) A beneficiary is definite if the beneficiary can be ascertained now
406 or in the future, subject to any applicable rule against perpetuities.

407 (c) A power in a trustee to select a beneficiary from an indefinite
408 class is valid. If the power is not exercised within a reasonable time,
409 the power fails and the property subject to the power passes to the
410 persons who would have taken the property had the power not been
411 conferred.

412 Sec. 23. (NEW) (*Effective January 1, 2004*) An inter vivos trust is
413 validly created if its creation complies with the law of the jurisdiction

414 in which the trust instrument was executed, or the law of the
415 jurisdiction in which, at the time of creation: (1) The settlor was
416 domiciled, had a place of abode or was a national; (2) a trustee was
417 domiciled or had a place of business; or (3) any trust property was
418 located.

419 Sec. 24. (NEW) (*Effective January 1, 2004*) A trust may be created only
420 to the extent its purposes are lawful, not contrary to public policy and
421 possible to achieve.

422 Sec. 25. (NEW) (*Effective January 1, 2004*) (a) A charitable trust may
423 be created for the relief of poverty, the advancement of education or
424 religion, the promotion of health, governmental or municipal
425 purposes, or other purposes the achievement of which is beneficial to
426 the community.

427 (b) If the terms of a charitable trust do not indicate a particular
428 charitable purpose or beneficiary, the court may select one or more
429 charitable purposes or beneficiaries. The selection must be consistent
430 with the settlor's intention to the extent it can be ascertained.

431 (c) The settlor of a charitable trust, among others, may maintain a
432 proceeding to enforce the trust.

433 Sec. 26. (NEW) (*Effective January 1, 2004*) A trust is void to the extent
434 its creation was induced by fraud, duress or undue influence.

435 Sec. 27. (NEW) (*Effective January 1, 2004*) Except as required by a
436 statute other than sections 1 to 85, inclusive, of this act, a trust need not
437 be evidenced by a trust instrument, but the creation of an oral trust
438 and its terms may be established only by clear and convincing
439 evidence.

440 Sec. 28. (NEW) (*Effective January 1, 2004*) (a) A trust may be created
441 to provide for the care of an animal alive during the settlor's lifetime.
442 The trust terminates upon the death of the animal or, if the trust was
443 created to provide for the care of more than one animal alive during

444 the settlor's lifetime, upon the death of the last surviving animal.

445 (b) A trust authorized by this section may be enforced by a person
446 appointed in the terms of the trust or, if no person is so appointed, by a
447 person appointed by the court. A person having an interest in the
448 welfare of the animal may request the court to appoint a person to
449 enforce the trust or to remove a person appointed.

450 (c) Property of a trust authorized by this section may be applied
451 only to its intended use, except to the extent the court determines that
452 the value of the trust property exceeds the amount required for the
453 intended use. Except as otherwise provided in the terms of the trust,
454 property not required for the intended use must be distributed to the
455 settlor, if then living, otherwise to the settlor's successors in interest.

456 Sec. 29. (NEW) (*Effective January 1, 2004*) Except as provided by
457 section 28 of this act or by another statute, the following rules apply:

458 (1) A trust may be created for a noncharitable purpose without a
459 definite or definitely ascertainable beneficiary or for a noncharitable
460 but otherwise valid purpose to be selected by the trustee. The trust
461 may not be enforced for more than ninety years.

462 (2) A trust authorized by this section may be enforced by a person
463 appointed in the terms of the trust or, if no person is so appointed, by a
464 person appointed by the court.

465 (3) Property of a trust authorized by this section may be applied
466 only to its intended use, except to the extent the court determines that
467 the value of the trust property exceeds the amount required for the
468 intended use. Except as otherwise provided in the terms of the trust,
469 property not required for the intended use must be distributed to the
470 settlor, if then living, otherwise to the settlor's successors in interest.

471 Sec. 30. (NEW) (*Effective January 1, 2004*) (a) In addition to the
472 methods of termination prescribed by sections 31 to 34, inclusive, of
473 this act, a trust terminates to the extent the trust is revoked or expires

474 pursuant to its terms, no purpose of the trust remains to be achieved,
475 or the purposes of the trust have become unlawful, contrary to public
476 policy or impossible to achieve.

477 (b) A proceeding to approve or disapprove a proposed modification
478 or termination under sections 31 to 36, inclusive, of this act, or trust
479 combination or division under section 37 of this act, may be
480 commenced by a trustee or beneficiary, and a proceeding to approve
481 or disapprove a proposed modification or termination under section 31
482 of this act may be commenced by the settlor. The settlor of a charitable
483 trust may maintain a proceeding to modify the trust under section 33
484 of this act.

485 Sec. 31. (NEW) (*Effective January 1, 2004*) (a) A noncharitable
486 irrevocable trust may be modified or terminated upon consent of the
487 settlor and all beneficiaries, even if the modification or termination is
488 inconsistent with a material purpose of the trust. A settlor's power to
489 consent to a trust's modification or termination may be exercised by an
490 agent under a power of attorney only to the extent expressly
491 authorized by the power of attorney or the terms of the trust; by the
492 settlor's conservator with the approval of the court supervising the
493 conservatorship if an agent is not so authorized; or by the settlor's
494 guardian with the approval of the court supervising the guardianship
495 if an agent is not so authorized and a conservator has not been
496 appointed.

497 (b) A noncharitable irrevocable trust may be terminated or modified
498 upon consent of all of the beneficiaries if the court concludes that the
499 termination or modification is not inconsistent with a material purpose
500 of the trust and the probable intent of the settlor.

501 (c) For the purposes of this section, a spendthrift provision in the
502 terms of the trust is not presumed to constitute a material purpose of
503 the trust. In determining whether a spendthrift provision is a material
504 purpose of a trust for purposes of modification or termination of the
505 trust, the court shall consider the settlor's intent and the facts and

506 circumstances surrounding the creation of the trust.

507 (d) Upon termination of a trust under subsection (a) or (b) of this
508 section, the trustee shall distribute the trust property as agreed by the
509 parties consenting to the termination of the trust.

510 (e) If not all of the beneficiaries consent to a proposed modification
511 or termination of the trust under subsection (a) or (b) of this section,
512 the modification or termination may be approved by the court if the
513 court is satisfied that: (1) If all of the beneficiaries had consented, the
514 trust could have been modified or terminated under this section; and
515 (2) the interests of a beneficiary who does not consent will be
516 adequately protected.

517 Sec. 32. (NEW) (*Effective January 1, 2004*) (a) The court may modify
518 the administrative or dispositive terms of a trust or terminate the trust
519 if, because of circumstances not anticipated by the settlor, modification
520 or termination will further the purposes of the trust. To the extent
521 practicable, the modification must be made in accordance with the
522 settlor's probable intention.

523 (b) The court may modify the administrative terms of a trust if
524 continuation of the trust on its existing terms would be impracticable
525 or wasteful or impair the trust's administration.

526 (c) Upon termination of a trust under this section, the trustee shall
527 distribute the trust property in a manner consistent with the purposes
528 of the trust.

529 Sec. 33. (NEW) (*Effective January 1, 2004*) (a) Except as otherwise
530 provided in subsection (b) of this section, if a particular charitable
531 purpose becomes unlawful, impracticable, impossible to achieve or
532 wasteful: (1) The trust does not fail, in whole or in part; (2) the trust
533 property does not revert to the settlor or the settlor's successors in
534 interest; and (3) the court may apply cy pres to modify or terminate the
535 trust by directing that the trust property be applied or distributed, in

536 whole or in part, in a manner consistent with the settlor's charitable
537 purposes.

538 (b) A provision in the terms of a charitable trust that would result in
539 distribution of the trust property to a noncharitable beneficiary
540 prevails over the power of the court under subsection (a) of this section
541 to apply cy pres to modify or terminate the trust only if, when the
542 provision takes effect: (1) The trust property is to revert to the settlor
543 and the settlor is still living; or (2) fewer than twenty-one years have
544 elapsed since the date of the trust's creation.

545 Sec. 34. (NEW) (*Effective January 1, 2004*) (a) After notice to the
546 qualified beneficiaries, the trustee of an inter vivos noncharitable trust,
547 or the trustee of a testamentary noncharitable trust who obtains court
548 approval, may terminate the trust if the total value of the trust
549 property is less than fifty thousand dollars and the trustee concludes
550 that the termination is not inconsistent with the probable intent of the
551 settlor and the value or character of the trust property is insufficient or
552 inappropriate to justify the cost of administration.

553 (b) The court may modify or terminate a trust or remove the trustee
554 and appoint a different trustee if it determines that the value or
555 character of the trust property is insufficient or inappropriate to justify
556 the cost of administration.

557 (c) Upon termination of a trust under this section, the trustee shall
558 distribute the trust property in a manner consistent with the purposes
559 of the trust.

560 (d) This section does not apply to an easement for conservation or
561 preservation.

562 Sec. 35. (NEW) (*Effective January 1, 2004*) The court may reform the
563 terms of a trust, even if unambiguous, to conform the terms to the
564 settlor's intention if it is proven by clear and convincing evidence that
565 both the settlor's intent and the terms of the trust were affected by a

566 mistake of fact or law, whether in expression or inducement.

567 Sec. 36. (NEW) (*Effective January 1, 2004*) To achieve the settlor's tax
568 objectives, the court may modify the terms of a trust in a manner that
569 is not contrary to the settlor's probable intention. The court may
570 provide that the modification has retroactive effect.

571 Sec. 37. (NEW) (*Effective January 1, 2004*) After notice to the qualified
572 beneficiaries, a trustee may combine two or more trusts into a single
573 trust or divide a trust into two or more separate trusts, if the result
574 does not impair rights of any beneficiary or adversely affect
575 achievement of the purposes of the trust.

576 Sec. 38. (NEW) (*Effective January 1, 2004*) To the extent a beneficiary's
577 interest is not protected by a spendthrift provision, the court may
578 authorize a creditor or assignee of the beneficiary to reach the
579 beneficiary's interest by attachment of present or future distributions
580 to or for the benefit of the beneficiary or by other means. The court
581 may limit the award to such relief as is appropriate under the
582 circumstances.

583 Sec. 39. (NEW) (*Effective January 1, 2004*) (a) A spendthrift provision
584 is valid only if it restrains both voluntary and involuntary transfer of a
585 beneficiary's interest.

586 (b) A term of a trust providing that the interest of a beneficiary is
587 held subject to a "spendthrift trust", or words of similar import, is
588 sufficient to restrain both voluntary and involuntary transfer of the
589 beneficiary's interest.

590 (c) A beneficiary may not transfer an interest in a trust in violation
591 of a valid spendthrift provision and, except as otherwise provided in
592 sections 38 to 44, inclusive, of this act, a creditor or assignee of the
593 beneficiary may not reach the interest or distribution by the trustee
594 before its receipt by the beneficiary.

595 Sec. 40. (NEW) (*Effective January 1, 2004*) (a) For the purposes of this

596 section, "child" includes any person for whom an order or judgment
597 for child support has been entered in this or another state.

598 (b) Even if a trust contains a spendthrift provision, a beneficiary's
599 child, spouse or former spouse who has a judgment or court order
600 against the beneficiary for support or maintenance, or a judgment
601 creditor who has provided services for the protection of a beneficiary's
602 interest in the trust, may obtain from a court an order attaching present
603 or future distributions to or for the benefit of the beneficiary.

604 (c) A spendthrift provision is unenforceable against a claim of this
605 state or the United States to the extent a statute of this state or federal
606 law so provides.

607 Sec. 41. (NEW) (*Effective January 1, 2004*) (a) For the purposes of this
608 section, "child" includes any person for whom an order or judgment
609 for child support has been entered in this or another state.

610 (b) Except as otherwise provided in subsection (c) of this section,
611 whether or not a trust contains a spendthrift provision, a creditor of a
612 beneficiary may not compel a distribution that is subject to the trustee's
613 discretion, even if: (1) The discretion is expressed in the form of a
614 standard of distribution; or (2) the trustee has abused the discretion.

615 (c) To the extent a trustee has not complied with a standard of
616 distribution or has abused a discretion: (1) A distribution may be
617 ordered by the court to satisfy a judgment or court order against the
618 beneficiary for support or maintenance of the beneficiary's child,
619 spouse or former spouse; and (2) the court shall direct the trustee to
620 pay to the child, spouse or former spouse such amount as is equitable
621 under the circumstances, but not more than the amount the trustee
622 would have been required to distribute to or for the benefit of the
623 beneficiary had the trustee complied with the standard or not abused
624 the discretion.

625 (d) This section does not limit the right of a beneficiary to maintain a

626 judicial proceeding against a trustee for an abuse of discretion or
627 failure to comply with a standard for distribution.

628 Sec. 42. (NEW) (*Effective January 1, 2004*) (a) Whether or not the
629 terms of a trust contain a spendthrift provision, the following rules
630 apply:

631 (1) During the lifetime of the settlor, the property of a revocable
632 trust is subject to claims of the settlor's creditors.

633 (2) With respect to an irrevocable trust, a creditor or assignee of the
634 settlor may reach the maximum amount that can be distributed to or
635 for the settlor's benefit. If a trust has more than one settlor, the amount
636 the creditor or assignee of a particular settlor may reach may not
637 exceed the settlor's interest in the portion of the trust attributable to
638 such settlor's contribution.

639 (3) After the death of a settlor, and subject to the settlor's right to
640 direct the source from which liabilities will be paid, except as
641 otherwise provided in section 45a-472 of the general statutes, the
642 property of a trust that was revocable at the settlor's death is subject to
643 claims of the settlor's creditors, costs of administration of the settlor's
644 estate, the expenses of the settlor's funeral and disposal of remains,
645 and the family allowance to a surviving spouse and children under
646 section 45a-320 of the general statutes, to the extent the settlor's
647 probate estate is inadequate to satisfy such claims, costs, expenses and
648 allowance.

649 (b) With respect to claims, expenses and taxes in connection with
650 the settlement of a trust that was revocable at the settlor's death, the
651 following rules apply:

652 (1) Any claim of a creditor that would be barred against the
653 fiduciary of a decedent's estate, the estate of the decedent or any
654 creditor or beneficiary of the decedent's estate, shall be barred against
655 the trustee, the trust property and the creditors and beneficiaries of the

656 trust.

657 (2) The trustee may use the optional notice procedures set forth in
658 section 45a-357 of the general statutes and, upon the trustee's
659 compliance with the procedures set forth in said section, any person so
660 notified shall be forever barred from asserting or recovering on any
661 such claim from the trustee, the trust property or any creditor or
662 beneficiary of the trust.

663 (3) The provisions of section 45a-365 of the general statutes dealing
664 with the order of payment of claims, expenses and taxes shall apply to
665 a revocable trust.

666 (4) If any claim is not presented in writing to the fiduciary of the
667 settlor's estate or the trustee (A) within one hundred fifty days from
668 the date of the appointment of the first fiduciary of the settlor's estate,
669 or (B) if no fiduciary is appointed within one hundred fifty days from
670 the settlor's date of death, then within one hundred fifty days from the
671 settlor's date of death, no trustee shall be chargeable for any assets that
672 a trustee may have paid or distributed in good faith in satisfaction of
673 any lawful claims, expenses or taxes or to any beneficiary before such
674 claim was presented. A payment or distribution of assets by a trustee
675 shall be deemed to have been made in good faith unless the creditor
676 can prove that the trustee had actual knowledge of such claims at the
677 time of such payment or distribution. Such one-hundred-fifty-day
678 period shall not be interrupted or affected by the death, resignation or
679 removal of a trustee, except that the time during which there is no
680 fiduciary in office shall not be counted as part of such period.

681 (c) For the purposes of this section: (1) During the period a power of
682 withdrawal may be exercised, the holder of the power of withdrawal is
683 treated in the same manner as the settlor of a revocable trust to the
684 extent of the property subject to the power; and (2) upon the lapse,
685 release or waiver of a power of withdrawal, the holder of the power of
686 withdrawal is treated as the settlor of the trust only to the extent the
687 value of the property affected by the lapse, release or waiver exceeds

688 the greater of the amount specified in Section 2041(b)(2), 2503(b) or
689 2514(e) of the Internal Revenue Code of 1986, or any subsequent
690 corresponding internal revenue code of the United States, as from time
691 to time amended.

692 Sec. 43. (NEW) (*Effective January 1, 2004*) Whether or not a trust
693 contains a spendthrift provision, a creditor or assignee of a beneficiary
694 may reach a mandatory distribution of income or principal, including
695 a distribution upon termination of the trust, if the trustee has not made
696 the distribution to the beneficiary within a reasonable time after the
697 mandated distribution date.

698 Sec. 44. (NEW) (*Effective January 1, 2004*) Trust property is not
699 subject to personal obligations of the trustee, even if the trustee
700 becomes insolvent or bankrupt.

701 Sec. 45. (NEW) (*Effective January 1, 2004*) The capacity required to
702 create, amend, revoke or add property to a revocable trust, or to direct
703 the actions of the trustee of a revocable trust, is the same as that
704 required to make a will.

705 Sec. 46. (NEW) (*Effective January 1, 2004*) (a) Unless the terms of a
706 trust expressly provide that the trust is irrevocable, the settlor may
707 revoke or amend the trust. This subsection does not apply to a trust
708 created under an instrument executed before the effective date of this
709 section.

710 (b) If a revocable trust is created or funded by more than one settlor:
711 (1) To the extent the trust consists of community property, the trust
712 may be revoked by either spouse acting alone, but may be amended
713 only by joint action of both spouses; and (2) to the extent the trust
714 consists of property other than community property, each settlor may
715 revoke or amend the trust with regard to the portion of the trust
716 property attributable to such settlor's contribution.

717 (c) The settlor may revoke or amend a revocable trust:

718 (1) By substantial compliance with a method provided in the terms
719 of the trust; or

720 (2) If the terms of the trust do not provide a method or the method
721 provided in the terms is not expressly made exclusive, by (A) a later
722 will or codicil that has been admitted to probate and that expressly
723 refers to the trust or expressly devises specifically identified items of
724 real or personal property that would otherwise have passed according
725 to the terms of the trust, or (B) any other method manifesting clear and
726 convincing evidence of the settlor's intent, provided (i) a written
727 revocable trust may only be amended by a later written instrument,
728 and (ii) a written revocable trust may only be revoked by a later
729 written instrument or by the burning, cancellation, tearing or
730 obliteration of the revocable trust by the settlor or by a person in the
731 settlor's presence and at the settlor's direction.

732 (d) Upon revocation of a revocable trust, the trustee shall deliver the
733 trust property as the settlor directs.

734 (e) A settlor's powers with respect to revocation, amendment or
735 distribution of trust property may be exercised by an agent under a
736 power of attorney only to the extent expressly authorized by the terms
737 of the trust or the power.

738 (f) Unless expressly prohibited by the terms of the trust, a
739 conservator of the settlor may exercise a settlor's powers with respect
740 to revocation, amendment or distribution of trust property with the
741 approval of the court supervising the conservatorship.

742 (g) A trustee who does not know that a trust has been revoked or
743 amended is not liable to the settlor or settlor's successors in interest for
744 distributions made and other actions taken on the assumption that the
745 trust had not been amended or revoked.

746 Sec. 47. (NEW) (*Effective January 1, 2004*) (a) While a trust is
747 revocable and the settlor is alive, rights of the beneficiaries are subject

748 to the control of, and the duties of the trustee are owed exclusively to,
749 the settlor.

750 (b) If a revocable trust has more than one settlor, the duties of the
751 trustee are owed to all of the settlors having capacity to revoke the
752 trust.

753 (c) During the period a power of withdrawal may be exercised, the
754 holder of the power of withdrawal has the rights of a settlor of a
755 revocable trust under this section to the extent of the property subject
756 to the power.

757 Sec. 48. (NEW) (*Effective January 1, 2004*) (a) A person may
758 commence a judicial proceeding to contest the validity of a trust that
759 was revocable at the settlor's death within the earlier of:

760 (1) Two years after the settlor's death; or

761 (2) One hundred fifty days after the trustee sent the person a copy of
762 the trust instrument and a notice informing the person of the trust's
763 existence, of the trustee's name and address, and of the time allowed
764 for commencing a proceeding. The trustee shall have the right to
765 provide the documentation and information set forth in this
766 subdivision to (A) all persons who would be entitled to notice of the
767 application for probate of a will or administration of an intestate estate
768 or to notice of the admission of a will to probate or the granting of
769 letters of administration, and (B) all persons whose interests are, in the
770 opinion of the trustee, adversely affected by the trust.

771 (b) Upon the death of the settlor of a trust that was revocable at the
772 settlor's death, the trustee may proceed to distribute the trust property
773 in accordance with the terms of the trust. The trustee is not subject to
774 liability for doing so unless: (1) The trustee knows of a pending judicial
775 proceeding contesting the validity of the trust; (2) a potential
776 contestant has notified the trustee of a possible judicial proceeding to
777 contest the trust and a judicial proceeding is commenced within sixty

778 days after the contestant sent the notification; or (3) the trustee failed to
779 give notice to the qualified beneficiaries in accordance with
780 subdivision (3) of subsection (b) of section 66 of this act.

781 (c) A beneficiary of a trust that is determined to have been invalid is
782 liable to return any distribution received.

783 Sec. 49. (NEW) (*Effective January 1, 2004*) (a) Except as otherwise
784 provided in subsection (c) of this section, a person designated as
785 trustee accepts the trusteeship: (1) By substantially complying with a
786 method of acceptance provided in the terms of the trust; (2) if the terms
787 of the trust do not provide a method or the method provided in the
788 terms is not expressly made exclusive, by accepting delivery of the
789 trust property, exercising powers or performing duties as trustee, or
790 otherwise indicating acceptance of the trusteeship; or (3) in the case of
791 a testamentary trust, filing an acceptance of trust in the court with
792 jurisdiction over the trust.

793 (b) A person designated as trustee who has not yet accepted the
794 trusteeship may reject the trusteeship. A designated trustee who does
795 not accept the trusteeship within a reasonable time after knowing of
796 the designation is deemed to have rejected the trusteeship.

797 (c) A person designated as trustee, without accepting the
798 trusteeship, may: (1) Act to preserve the trust property if, within a
799 reasonable time after acting, the person sends a rejection of the
800 trusteeship to the settlor or, if the settlor is dead or lacks capacity, to a
801 qualified beneficiary; and (2) inspect or investigate trust property to
802 determine potential liability under state or federal environmental or
803 other law or for any other purpose.

804 (d) A testamentary trustee that is a foreign corporation shall also
805 comply with section 45a-206 of the general statutes.

806 Sec. 50. (NEW) (*Effective January 1, 2004*) (a) A trustee shall give
807 bond to secure performance of the trustee's duties only if the court

808 finds that a bond is needed to protect the interests of the beneficiaries
809 or is required by the terms of the trust and the court has not dispensed
810 with the requirement.

811 (b) The court may specify the amount of a bond, its liabilities, and
812 whether sureties are necessary. The court may modify or terminate a
813 bond at any time.

814 Sec. 51. (NEW) (*Effective January 1, 2004*) (a) Cotrustees who are
815 unable to reach a unanimous decision may act by majority decision.

816 (b) If a vacancy occurs in a cotrusteeship, the remaining cotrustees
817 may act for the trust.

818 (c) A cotrustee must participate in the performance of a trustee's
819 function unless the cotrustee is unavailable to perform the function
820 because of absence, illness, disqualification under other law, or other
821 temporary incapacity or the cotrustee has properly delegated the
822 performance of the function to another trustee.

823 (d) If a cotrustee is unavailable to perform duties because of
824 absence, illness, disqualification under other law, or other temporary
825 incapacity, and prompt action is necessary to achieve the purposes of
826 the trust or to avoid injury to the trust property, the remaining
827 cotrustee or a majority of the remaining cotrustees may act for the
828 trust.

829 (e) A trustee may delegate to a cotrustee the performance of any
830 function other than a function that the terms of the trust expressly
831 require to be performed by the trustees jointly. Unless a delegation
832 was irrevocable, a delegating trustee may revoke a delegation
833 previously made.

834 (f) Except as otherwise provided in subsection (g) of this section, a
835 trustee who does not join in an action of another trustee is not liable for
836 the action.

837 (g) Each trustee shall exercise reasonable care to: (1) Prevent a
838 cotrustee from committing a serious breach of trust; and (2) compel a
839 cotrustee to redress a serious breach of trust.

840 (h) A dissenting trustee who joins in an action at the direction of the
841 majority of the trustees and who notified any cotrustee of the dissent at
842 or before the time of the action is not liable for the action unless the
843 action is a serious breach of trust.

844 Sec. 52. (NEW) (*Effective January 1, 2004*) (a) A vacancy in a
845 trusteeship occurs if: (1) A person designated as trustee rejects the
846 trusteeship; (2) a person designated as trustee cannot be identified or
847 does not exist; (3) a trustee resigns; (4) a trustee is disqualified or
848 removed; (5) a trustee dies; or (6) a conservator is appointed for an
849 individual serving as trustee.

850 (b) If one or more cotrustees remain in office, a vacancy in a
851 trusteeship need not be filled, unless otherwise required by the terms
852 of the trust. A vacancy in a trusteeship must be filled if the trust has no
853 remaining trustee.

854 (c) A vacancy in a trusteeship required to be filled must be filled in
855 the following order of priority: (1) By a person designated in the terms
856 of the trust to act as successor trustee or appointed according to a
857 procedure specified in such terms; (2) by a person appointed by
858 unanimous agreement of the qualified beneficiaries; (3) in the case of
859 an inter vivos charitable trust, by a person selected by the charitable
860 organizations expressly designated to receive distributions under the
861 terms of the trust; or (4) by a person appointed by the court.

862 (d) Whether or not a vacancy in a trusteeship exists or is required to
863 be filled, the court may appoint an additional trustee or special
864 fiduciary whenever the court considers the appointment necessary for
865 the administration of the trust.

866 Sec. 53. (NEW) (*Effective January 1, 2004*) (a) A trustee of an inter

867 vivos trust may resign without court approval upon at least thirty days
868 notice to either: (1) The qualified beneficiaries, the settlor, if living, and
869 all cotrustees; or (2) the court.

870 (b) A trustee of a testamentary trust may resign: (1) Without court
871 approval upon at least thirty days notice to the qualified beneficiaries
872 and the court; or (2) with the approval of the court.

873 (c) In approving a resignation under subdivision (2) of subsection
874 (b) of this section, the court may issue orders and impose conditions
875 reasonably necessary for the protection of the trust property, the
876 beneficiaries and the other trustees, and may issue such other orders as
877 law and equity may require.

878 (d) Any liability of a resigning trustee or of any sureties on such
879 trustee's bond for acts or omissions of such trustee is not discharged or
880 affected by such trustee's resignation.

881 Sec. 54. (NEW) (*Effective January 1, 2004*) (a) The settlor, a cotrustee
882 or a beneficiary may request the court to remove a trustee, or a trustee
883 may be removed by the court on its own initiative.

884 (b) The court may remove a trustee if:

885 (1) The trustee has committed a serious breach of trust;

886 (2) Lack of cooperation among cotrustees substantially impairs the
887 administration of the trust;

888 (3) Because of unfitness, unwillingness, or persistent failure of the
889 trustee to administer the trust effectively, the court determines that
890 removal of the trustee best serves the interests of the beneficiaries; or

891 (4) There has been a substantial change of circumstances or removal
892 is requested by all of the qualified beneficiaries, the court finds that
893 removal of the trustee best serves the interests of all of the beneficiaries
894 and is not inconsistent with a material purpose of the trust, and a

895 suitable cotrustee or successor trustee is available. A successor
896 corporate fiduciary shall not be removed in such a manner as to
897 discriminate against state banks or national banking associations. No
898 consolidated state bank or national banking association and no
899 receiving state bank or national banking association may be removed
900 solely because it is a successor fiduciary, as defined in section 45a-245a
901 of the general statutes.

902 (c) Pending a final decision on a request to remove a trustee, or in
903 lieu of or in addition to removing a trustee, the court may order such
904 appropriate relief under subsection (b) of section 71 of this act as may
905 be necessary to protect the trust property or the interests of the
906 beneficiaries.

907 Sec. 55. (NEW) (*Effective January 1, 2004*) (a) Unless a cotrustee
908 remains in office or the court otherwise orders, and until the trust
909 property is delivered to a successor trustee or other person entitled to
910 it, a trustee who has resigned or been removed has the duties of a
911 trustee and the powers necessary to protect the trust property.

912 (b) A trustee who has resigned or been removed shall proceed
913 expeditiously to deliver the trust property within the trustee's
914 possession to the cotrustee, successor trustee or other person entitled
915 to it.

916 Sec. 56. (NEW) (*Effective January 1, 2004*) (a) If the terms of a trust do
917 not specify the trustee's compensation, a trustee is entitled to
918 compensation that is reasonable under the circumstances.

919 (b) If the terms of a trust specify the trustee's compensation, the
920 trustee is entitled to be compensated as specified, but the court may
921 allow more or less compensation if: (1) The duties of the trustee are
922 substantially different from those contemplated when the trust was
923 created; or (2) the compensation specified by the terms of the trust
924 would be unreasonably low or high.

925 Sec. 57. (NEW) (*Effective January 1, 2004*) (a) A trustee is entitled to
926 be reimbursed out of the trust property, with interest as appropriate,
927 for: (1) Expenses that were properly incurred in the defense or
928 administration of the trust, unless the trustee is determined to have
929 committed a breach of trust; and (2) to the extent necessary to prevent
930 unjust enrichment of the trust, expenses that were not properly
931 incurred in the administration of the trust.

932 (b) An advance by the trustee of money for the protection of the
933 trust gives rise to a lien against trust property to secure reimbursement
934 with reasonable interest.

935 Sec. 58. (NEW) (*Effective January 1, 2004*) Upon acceptance of a
936 trusteeship, the trustee shall administer the trust in good faith, in
937 accordance with its terms and purposes, the intentions of the settlor
938 and the interests of the beneficiaries, and in accordance with sections 1
939 to 85, inclusive, of this act.

940 Sec. 59. (NEW) (*Effective January 1, 2004*) (a) A trustee shall invest
941 and manage the trust assets solely in the interests of the beneficiaries.

942 (b) Subject to the rights of persons dealing with or assisting the
943 trustee as provided in section 81 of this act, a sale, encumbrance or
944 other transaction involving the investment or management of trust
945 property entered into by the trustee for the trustee's own personal
946 account or which is otherwise affected by a conflict between the
947 trustee's fiduciary and personal interests is voidable by a beneficiary
948 affected by the transaction unless: (1) The transaction was authorized
949 by the terms of the trust; (2) the transaction was approved by the court;
950 (3) the beneficiary did not commence a judicial proceeding within the
951 time allowed by section 74 of this act; (4) the beneficiary consented to
952 the trustee's conduct, ratified the transaction or released the trustee as
953 provided in section 78 of this act; or (5) the transaction involves a
954 contract entered into or claim acquired by the trustee before the person
955 became or contemplated becoming trustee.

956 (c) A sale, encumbrance or other transaction involving the
957 investment or management of trust property is presumed to be
958 affected by a conflict between personal and fiduciary interests if it is
959 entered into by the trustee with: (1) The trustee's spouse; (2) the
960 trustee's descendants, siblings, parents or their spouses; (3) an agent or
961 attorney of the trustee; or (4) a corporation or other person or
962 enterprise in which the trustee, or a person that owns a significant
963 interest in the trustee, has an interest that might affect the trustee's best
964 judgment.

965 (d) A transaction between a trustee and a beneficiary that does not
966 concern trust property but that occurs during the existence of the trust
967 or while the trustee retains significant influence over the beneficiary
968 and from which the trustee obtains an advantage is voidable by the
969 beneficiary unless the trustee establishes that the transaction was fair
970 to the beneficiary.

971 (e) A transaction not concerning trust property in which the trustee
972 engages in the trustee's individual capacity involves a conflict between
973 personal and fiduciary interests if the transaction concerns an
974 opportunity properly belonging to the trust.

975 (f) (1) The following transactions are not presumed to be affected by
976 a conflict of interest between a trustee's personal and fiduciary
977 interests, provided the transaction and any investment made pursuant
978 to the transaction complies with the Connecticut Uniform Prudent
979 Investor Act, sections 45a-541 to 45a-541l of the general statutes: (A)
980 An investment by a trustee in securities of an investment company or
981 investment trust to which the trustee, or its affiliate, provides services
982 in a capacity other than as trustee; (B) an investment by a trustee in an
983 insurance contract purchased from an insurance agency owned by, or
984 affiliated with, the trustee or its affiliate; (C) the placing of securities
985 transactions by a trustee through a securities broker that is a part of the
986 same company as the trustee, is owned by the trustee or is affiliated
987 with the trustee.

988 (2) A trustee may be compensated for any transaction described in
989 this subsection out of fees charged to the trust if the trustee, at least
990 annually, notifies the persons entitled under section 66 of this act to
991 receive a copy of the trustee's annual report of the rate and method by
992 which the compensation was determined.

993 (g) In voting shares of stock or in exercising powers of control over
994 similar interests in other forms of enterprise, the trustee shall act in the
995 best interests of the beneficiaries. If the trust is the sole owner of a
996 corporation or other form of enterprise, the trustee shall elect or
997 appoint directors or other managers who will manage the corporation
998 or enterprise in the best interests of the beneficiaries.

999 (h) This section does not preclude the following transactions, if fair
1000 to the beneficiaries: (1) An agreement between a trustee and a
1001 beneficiary relating to the appointment or compensation of the trustee;
1002 (2) payment of reasonable compensation to the trustee; (3) a
1003 transaction between a trust and another trust, decedent's estate or
1004 conservatorship of which the trustee is a fiduciary or in which a
1005 beneficiary has an interest; (4) a deposit of trust money in a regulated
1006 financial service institution operated by the trustee; or (5) an advance
1007 by the trustee of money for the protection of the trust.

1008 (i) The court may appoint a special fiduciary to make a decision
1009 with respect to any proposed transaction that might violate this section
1010 if entered into by the trustee.

1011 Sec. 60. (NEW) (*Effective January 1, 2004*) A trustee shall administer
1012 the trust as a prudent person would, by considering the purposes,
1013 terms, distributional requirements and other circumstances of the
1014 trust. In satisfying this standard, the trustee shall exercise reasonable
1015 care, skill and caution.

1016 Sec. 61. (NEW) (*Effective January 1, 2004*) (a) While a trust is
1017 revocable, the trustee may follow a direction of the settlor that is
1018 contrary to the terms of the trust.

1019 (b) If the terms of a trust confer upon a person other than the settlor
1020 of a revocable trust power to direct certain actions of the trustee, the
1021 trustee shall act in accordance with an exercise of the power unless the
1022 attempted exercise is manifestly contrary to the terms of the trust or
1023 the trustee knows the attempted exercise would constitute a serious
1024 breach of a fiduciary duty that the person holding the power owes to
1025 the beneficiaries of the trust.

1026 (c) The terms of a trust may confer upon a trustee or other person a
1027 power to direct the modification or termination of the trust.

1028 (d) A person, other than a beneficiary, who holds a power to direct
1029 as specified in subsection (b) or (c) of this section is presumptively a
1030 fiduciary and is required to act in good faith with regard to the
1031 purposes of the trust and the interests of the beneficiaries. The holder
1032 of a power to direct is liable for any loss that results from breach of a
1033 fiduciary duty.

1034 Sec. 62. (NEW) (*Effective January 1, 2004*) A trustee shall take
1035 reasonable steps to take control of and protect the trust property.

1036 Sec. 63. (NEW) (*Effective January 1, 2004*) (a) A trustee shall keep
1037 adequate records of the administration of the trust.

1038 (b) A trustee shall keep trust property separate from the trustee's
1039 own property.

1040 (c) Except as otherwise provided in subsection (d) of this section, a
1041 trustee shall cause the trust property to be designated so that the
1042 interest of the trust, to the extent feasible, appears in records
1043 maintained by a party other than a trustee or beneficiary.

1044 (d) If the trustee maintains records clearly indicating the respective
1045 interests, a trustee may invest as a whole the property of two or more
1046 separate trusts.

1047 Sec. 64. (NEW) (*Effective January 1, 2004*) A trustee shall take

1048 reasonable steps to enforce claims of the trust and to defend claims
1049 against the trust.

1050 Sec. 65. (NEW) (*Effective January 1, 2004*) A trustee shall take
1051 reasonable steps to compel a former trustee or other person to deliver
1052 trust property to the trustee, and to redress a breach of trust known to
1053 the trustee to have been committed by a former trustee.

1054 Sec. 66. (NEW) (*Effective January 1, 2004*) (a) Unless, under the
1055 circumstances, disclosure is unreasonable: (1) A trustee shall keep the
1056 qualified beneficiaries of the trust reasonably informed about the
1057 administration of the trust and of the material facts necessary for them
1058 to protect their interests; and (2) a trustee shall promptly respond to a
1059 qualified beneficiary's request for information reasonably related to the
1060 administration of the trust.

1061 (b) A trustee: (1) Upon request of a beneficiary, shall promptly
1062 furnish to the beneficiary a copy of the trust instrument; (2) within
1063 sixty days after accepting a trusteeship, shall notify the qualified
1064 beneficiaries of the acceptance and of the trustee's name, address and
1065 telephone number; and (3) within sixty days after the date the trustee
1066 acquires knowledge of the creation of an irrevocable trust, or the date
1067 the trustee acquires knowledge that a formerly revocable trust has
1068 become irrevocable, whether by the death of the settlor or otherwise,
1069 shall notify the qualified beneficiaries of the trust's existence, of the
1070 identity of the settlor or settlors, of the right to request a copy of the
1071 trust instrument and of the right to a trustee's report as provided in
1072 subsection (c) of this section.

1073 (c) A trustee shall send to the distributees or permissible
1074 distributees of trust income or principal, and to other qualified or
1075 nonqualified beneficiaries who request it, at least annually and at the
1076 termination of the trust, a report of the trust property, liabilities,
1077 receipts and disbursements, including the source and amount of the
1078 trustee's compensation, a listing of the trust assets and, if feasible, their
1079 respective market values. Upon a vacancy in a trusteeship, unless a

1080 cotrustee remains in office, a report must be sent to the qualified
1081 beneficiaries by the former trustee. An executor, administrator or
1082 conservator may send the qualified beneficiaries a report on behalf of a
1083 deceased or incapacitated trustee.

1084 (d) A beneficiary may waive the right to a trustee's report or other
1085 information otherwise required to be furnished under this section. A
1086 beneficiary, with respect to future reports and other information, may
1087 withdraw a waiver previously given.

1088 (e) Judicial approval of a trustee's report forecloses claims as to
1089 those given notice of the proceeding as to matters disclosed in the
1090 report.

1091 Sec. 67. (NEW) (*Effective January 1, 2004*) (a) Notwithstanding the
1092 breadth of discretion granted to a trustee in the terms of the trust,
1093 including the use of such terms as "absolute", "sole" or "uncontrolled",
1094 the trustee shall exercise a discretionary power in good faith and in
1095 accordance with the terms and purposes of the trust, the intentions of
1096 the settlor and the interests of the beneficiaries.

1097 (b) Subject to subsection (d) of this section, and unless the terms of
1098 the trust expressly indicate that a rule in this subsection does not
1099 apply: (1) A person, other than a settlor, who is a beneficiary and
1100 trustee of a trust that confers on the trustee a power to make
1101 discretionary distributions to or for the trustee's personal benefit may
1102 exercise the power only in accordance with an ascertainable standard
1103 relating to the trustee's individual health, education, support or
1104 maintenance within the meaning of Section 2041(b)(1)(A) or 2514(c)(1)
1105 of the Internal Revenue Code of 1986, or any subsequent
1106 corresponding internal revenue code of the United States, as from time
1107 to time amended; and (2) a trustee may not exercise a power to make
1108 discretionary distributions to satisfy a legal obligation of support that
1109 the trustee personally owes another person.

1110 (c) A power to make discretionary distributions, the exercise of

1111 which is limited or prohibited by subsection (b) of this section, may be
1112 exercised by a majority of the remaining trustees whose exercise of
1113 such power is not so limited or prohibited. If the exercise of such
1114 power by all trustees is so limited or prohibited, the court may appoint
1115 a special fiduciary with authority to exercise such power.

1116 (d) Subsection (b) of this section does not apply to: (1) A power held
1117 by the settlor's spouse who is the trustee of a trust for which a marital
1118 deduction, as defined in Section 2056(b)(5) or 2523(e) of the Internal
1119 Revenue Code of 1986, or any subsequent corresponding internal
1120 revenue code of the United States, as from time to time amended, was
1121 previously allowed; (2) any trust during any period that the trust may
1122 be revoked or amended by its settlor; or (3) a trust, if contributions to
1123 the trust qualify for the annual exclusion under Section 2503(c) of the
1124 Internal Revenue Code of 1986, or any subsequent corresponding
1125 internal revenue code of the United States, as from time to time
1126 amended.

1127 Sec. 68. (NEW) (*Effective January 1, 2004*) (a) A trustee, without
1128 authorization by the court, may exercise: (1) Powers conferred by the
1129 terms of the trust; and (2) except as limited by the terms of the trust,
1130 (A) all powers over the trust property which an unmarried competent
1131 owner has over individually-owned property, (B) any other powers
1132 appropriate to achieve the proper investment, management and
1133 distribution of the trust property, and (C) any other powers conferred
1134 by sections 1 to 85, inclusive, of this act.

1135 (b) The exercise of a power is subject to the fiduciary duties
1136 prescribed by sections 58 to 70, inclusive, of this act.

1137 Sec. 69. (NEW) (*Effective January 1, 2004*) Without limiting the
1138 authority conferred by section 68 of this act, a trustee may:

1139 (1) Collect trust property and accept or reject additions to the trust
1140 property from a settlor or any other person;

1141 (2) Acquire or sell property, for cash or on credit, at public or
1142 private sale;

1143 (3) Exchange, partition or otherwise change the character of trust
1144 property;

1145 (4) Deposit trust money in an account in a regulated financial
1146 service institution;

1147 (5) Borrow money, with or without security, and mortgage or
1148 pledge trust property for a period within or extending beyond the
1149 duration of the trust;

1150 (6) With respect to an interest in a proprietorship, partnership,
1151 limited liability company, business trust, corporation or other form of
1152 business or enterprise, continue the business or other enterprise and
1153 take any action that may be taken by shareholders, members or
1154 property owners, including merging, dissolving or otherwise changing
1155 the form of business organization or contributing additional capital;

1156 (7) With respect to stocks or other securities, exercise the rights of an
1157 absolute owner, including the right to (A) vote, or give proxies to vote,
1158 with or without power of substitution, or enter into or continue a
1159 voting trust agreement, (B) hold a security in the name of a nominee or
1160 in other form without disclosure of the trust so that title may pass by
1161 delivery, (C) pay calls, assessments and other sums chargeable or
1162 accruing against the securities, and sell or exercise stock subscription
1163 or conversion rights, and (D) deposit the securities with a depository
1164 or other regulated financial service institution;

1165 (8) With respect to an interest in real property, construct or make
1166 ordinary or extraordinary repairs to, alterations to or improvements in
1167 buildings or other structures, demolish improvements, raze existing or
1168 erect new party walls or buildings, subdivide or develop land,
1169 dedicate land to public use or grant public or private easements, and
1170 make or vacate plats and adjust boundaries;

1171 (9) Enter into a lease for any purpose as lessor or lessee, including a
1172 lease or other arrangement for exploration and removal of natural
1173 resources, with or without the option to purchase or renew, for a
1174 period within or extending beyond the duration of the trust;

1175 (10) Grant an option involving a sale, lease or other disposition of
1176 trust property or acquire an option for the acquisition of property,
1177 including an option exercisable beyond the duration of the trust, and
1178 exercise an option so acquired;

1179 (11) Insure the property of the trust against damage or loss, and
1180 insure the trustee, the trustee's agents and beneficiaries against liability
1181 arising from the administration of the trust;

1182 (12) Abandon or decline to administer property of no value or of
1183 insufficient value to justify its collection or continued administration;

1184 (13) With respect to possible liability for violation of environmental
1185 law, (A) inspect or investigate property the trustee holds or has been
1186 asked to hold, or property owned or operated by an organization in
1187 which the trustee holds or has been asked to hold an interest, for the
1188 purpose of determining the application of environmental law with
1189 respect to the property, (B) take action to prevent, abate or otherwise
1190 remedy any actual or potential violation of any environmental law
1191 affecting property held directly or indirectly by the trustee, whether
1192 taken before or after the assertion of a claim or the initiation of
1193 governmental enforcement, (C) decline to accept property into trust or
1194 disclaim any power with respect to property that is or may be
1195 burdened with liability for violation of environmental law, (D)
1196 compromise claims against the trust which may be asserted for an
1197 alleged violation of environmental law, and (E) pay the expense of any
1198 inspection, review, abatement or remedial action to comply with
1199 environmental law;

1200 (14) Pay or contest any claim, settle a claim by or against the trust,
1201 and release, in whole or in part, a claim belonging to the trust;

1202 (15) Pay taxes, assessments, compensation of the trustee and of
1203 employees and agents of the trust, and other expenses incurred in the
1204 administration of the trust;

1205 (16) Exercise elections with respect to federal, state and local taxes;

1206 (17) Select a mode of payment under any employee benefit or
1207 retirement plan, annuity or life insurance payable to the trustee,
1208 exercise rights thereunder, including exercise of the right to
1209 indemnification for expenses and against liabilities, and take
1210 appropriate action to collect the proceeds;

1211 (18) Make loans out of trust property, including loans to a
1212 beneficiary on terms and conditions the trustee considers to be fair and
1213 reasonable under the circumstances, with the trustee having a lien on
1214 future distributions for repayment of such loans;

1215 (19) Pledge trust property to guarantee loans made by others to the
1216 beneficiary;

1217 (20) Appoint a trustee to act in another jurisdiction with respect to
1218 trust property located in the other jurisdiction, confer upon the
1219 appointed trustee all of the powers and duties of the appointing
1220 trustee, require that the appointed trustee furnish security, and remove
1221 any trustee so appointed;

1222 (21) Pay an amount distributable to a beneficiary who is under a
1223 legal disability or who the trustee reasonably believes is incapacitated,
1224 by paying it directly to the beneficiary or applying it for the
1225 beneficiary's benefit, or by: (A) paying it to the beneficiary's
1226 conservator; (B) paying it to the beneficiary's custodian under the
1227 Uniform Transfers to Minors Act or custodial trustee under the
1228 Uniform Custodial Trust Act, and, for such purpose, creating a
1229 custodianship or custodial trust; (C) if the trustee does not know of a
1230 conservator, custodian or custodial trustee, paying it to an adult
1231 relative or other person having legal or physical care or custody of the

1232 beneficiary, to be expended on the beneficiary's behalf; or (D)
1233 managing it as a separate fund on the beneficiary's behalf, subject to
1234 the beneficiary's continuing right to withdraw the distribution;

1235 (22) On distribution of trust property or the division or termination
1236 of a trust, make distributions in divided or undivided interests,
1237 allocate particular assets in proportionate or disproportionate shares,
1238 value the trust property for such purposes, and adjust for resulting
1239 differences in valuation;

1240 (23) Resolve a dispute concerning the interpretation of the trust or
1241 its administration by mediation, arbitration or other procedure for
1242 alternative dispute resolution;

1243 (24) Prosecute or defend an action, claim or judicial proceeding in
1244 any jurisdiction to protect trust property and the trustee in the
1245 performance of the trustee's duties;

1246 (25) Sign and deliver contracts and other instruments that are useful
1247 to achieve or facilitate the exercise of the trustee's powers; and

1248 (26) On termination of the trust, exercise the powers appropriate to
1249 wind up the administration of the trust and distribute the trust
1250 property to the persons entitled to it.

1251 Sec. 70. (NEW) (*Effective January 1, 2004*) (a) Upon termination or
1252 partial termination of a trust, the trustee of an inter vivos trust may
1253 send to the beneficiaries a proposal for distribution. The right of any
1254 beneficiary to object to the proposed distribution terminates if the
1255 beneficiary does not notify the trustee of an objection within thirty
1256 days after the proposal was sent, but only if the proposal informed the
1257 beneficiary of the right to object and of the time allowed for objection.

1258 (b) Upon the occurrence of an event terminating or partially
1259 terminating a trust, the trustee shall proceed expeditiously to
1260 distribute the trust property to the persons entitled to it, subject to the
1261 right of the trustee to retain a reasonable reserve for the payment of

1262 debts, expenses and taxes.

1263 (c) A release by a beneficiary of a trustee from liability for breach of
1264 trust is invalid to the extent: (1) It was induced by improper conduct of
1265 the trustee; or (2) the beneficiary, at the time of the release, did not
1266 know of the beneficiary's rights or of the material facts relating to the
1267 breach.

1268 Sec. 71. (NEW) (*Effective January 1, 2004*) (a) A violation by a trustee
1269 of a duty the trustee owes to a beneficiary is a breach of trust.

1270 (b) To remedy a breach of trust that has occurred or may occur, the
1271 court may: (1) Compel the trustee to perform the trustee's duties; (2)
1272 enjoin the trustee from committing a breach of trust; (3) compel the
1273 trustee to redress a breach of trust by paying money, restoring
1274 property or other means; (4) order a trustee to account; (5) appoint a
1275 special fiduciary to take possession of the trust property and
1276 administer the trust; (6) suspend the trustee; (7) remove the trustee as
1277 provided in section 54 of this act; (8) reduce or deny compensation to
1278 the trustee; (9) subject to section 81 of this act, void an act of the
1279 trustee, impose a lien or a constructive trust on trust property, or trace
1280 trust property wrongfully disposed of and recover the property or its
1281 proceeds; or (10) order any other appropriate relief.

1282 Sec. 72. (NEW) (*Effective January 1, 2004*) (a) A trustee who commits
1283 a breach of trust is liable to the beneficiaries affected for the greater of:
1284 (1) The amount required to restore the value of the trust property and
1285 trust distributions to what they would have been had the breach not
1286 occurred; or (2) the profit the trustee made by reason of the breach.

1287 (b) Except as otherwise provided in this subsection, if more than one
1288 trustee is liable to the beneficiaries for a breach of trust, a trustee is
1289 entitled to contribution from the other trustee or trustees. A trustee is
1290 not entitled to contribution if the trustee was substantially more at
1291 fault than another trustee or if the trustee committed the breach of
1292 trust in bad faith or with reckless indifference to the purposes of the

1293 trust or the interests of the beneficiaries. A trustee who received a
1294 benefit from the breach of trust is not entitled to contribution from
1295 another trustee to the extent of the benefit received.

1296 Sec. 73. (NEW) (*Effective January 1, 2004*) (a) A trustee is accountable
1297 to an affected beneficiary for any profit made by the trustee arising
1298 from the administration of the trust, even absent a breach of trust.

1299 (b) Absent a breach of trust, a trustee is not liable to a beneficiary for
1300 a loss or depreciation in the value of trust property or for not having
1301 made a profit.

1302 Sec. 74. (NEW) (*Effective January 1, 2004*) (a) A beneficiary may not
1303 commence a proceeding against a trustee for breach of trust more than
1304 one year after the date the beneficiary or a representative of the
1305 beneficiary was sent a report that adequately disclosed the existence of
1306 a potential claim for breach of trust and informed the beneficiary of the
1307 time allowed for commencing a proceeding.

1308 (b) A report adequately discloses the existence of a potential claim
1309 for breach of trust if it provides sufficient information so that the
1310 beneficiary or representative knows of the potential claim or should
1311 have inquired into its existence.

1312 (c) If subsection (a) of this section does not apply, a judicial
1313 proceeding by a beneficiary against a trustee for breach of trust must
1314 be commenced within six years after the first to occur of: (1) The
1315 removal or resignation of the trustee; (2) the termination of the
1316 beneficiary's interest in the trust; or (3) the termination of the trust.

1317 Sec. 75. (NEW) (*Effective January 1, 2004*) A trustee who acts in
1318 reasonable reliance on the terms of the trust as expressed in the trust
1319 instrument is not liable to a beneficiary for a breach of trust to the
1320 extent the breach resulted from the reliance.

1321 Sec. 76. (NEW) (*Effective January 1, 2004*) If the happening of an
1322 event, including marriage, divorce, performance of educational

1323 requirements or death, affects the administration or distribution of a
1324 trust, a trustee who has exercised reasonable care to ascertain the
1325 happening of the event is not liable for a loss resulting from the
1326 trustee's lack of knowledge.

1327 Sec. 77. (NEW) (*Effective January 1, 2004*) (a) A term of a trust
1328 relieving a trustee of liability for breach of trust is unenforceable to the
1329 extent that it: (1) Relieves the trustee of liability for breach of trust
1330 committed in bad faith or with reckless indifference to the purposes of
1331 the trust or the interests of the beneficiaries; or (2) was inserted as the
1332 result of an abuse by the trustee of a fiduciary or confidential
1333 relationship to the settlor.

1334 (b) Except for terms intended to provide protection for carrying out
1335 a stated trust purpose, an exculpatory term drafted or caused to be
1336 drafted by the trustee is invalid as an abuse of a fiduciary or
1337 confidential relationship unless the trustee proves that the exculpatory
1338 term is fair under the circumstances and that its existence and contents
1339 were adequately communicated to the settlor.

1340 Sec. 78. (NEW) (*Effective January 1, 2004*) A trustee is not liable to a
1341 beneficiary for breach of trust if the beneficiary consented to the
1342 conduct constituting the breach, released the trustee from liability for
1343 the breach, or ratified the transaction constituting the breach, unless:
1344 (1) The consent, release or ratification of the beneficiary was induced
1345 by improper conduct of the trustee; or (2) at the time of the consent,
1346 release or ratification, the beneficiary did not know of the beneficiary's
1347 rights or of the material facts relating to the breach.

1348 Sec. 79. (NEW) (*Effective January 1, 2004*) (a) Except as otherwise
1349 provided in the contract, a trustee is not personally liable on a contract
1350 properly entered into in the trustee's fiduciary capacity in the course of
1351 administering the trust if the trustee in the contract disclosed the
1352 fiduciary capacity.

1353 (b) Except as otherwise limited by state statute, a trustee is

1354 personally liable for torts committed in the course of administering a
1355 trust, or for obligations arising from ownership or control of trust
1356 property, including liability for violation of environmental law, only if
1357 the trustee is personally at fault.

1358 (c) A claim based on a contract entered into by a trustee in the
1359 trustee's fiduciary capacity, on an obligation arising from ownership or
1360 control of trust property, or on a tort committed in the course of
1361 administering a trust, may be asserted in a judicial proceeding against
1362 the trustee in the trustee's fiduciary capacity, whether or not the
1363 trustee is personally liable for the claim.

1364 Sec. 80. (NEW) (*Effective January 1, 2004*) (a) Except as otherwise
1365 provided in subsection (c) of this section, or unless personal liability is
1366 imposed in the contract, a trustee who holds an interest as a general
1367 partner in a general or limited partnership is not personally liable on a
1368 contract entered into by the partnership after the trust's acquisition of
1369 the interest if the fiduciary capacity was disclosed in the contract or in
1370 a statement previously filed pursuant to the Uniform Partnership Act,
1371 sections 34-300 to 34-399, inclusive, of the general statutes, or the
1372 Uniform Limited Partnership Act, sections 34-9 to 34-38u, inclusive, of
1373 the general statutes.

1374 (b) Except as otherwise provided in subsection (c) of this section, a
1375 trustee who holds an interest as a general partner is not personally
1376 liable for torts committed by the partnership or for obligations arising
1377 from ownership or control of the interest unless the trustee is
1378 personally at fault.

1379 (c) The immunity provided by this section does not apply if an
1380 interest in the partnership is held by the trustee in a capacity other
1381 than that of trustee or is held by the trustee's spouse or one or more of
1382 the trustee's descendants, siblings or parents or the spouse of any of
1383 them.

1384 (d) If the trustee of a revocable trust holds an interest as a general

1385 partner, the settlor is personally liable for contracts and other
1386 obligations of the partnership as if the settlor were a general partner.

1387 Sec. 81. (NEW) (*Effective January 1, 2004*) (a) A person other than a
1388 beneficiary who in good faith assists a trustee, or who in good faith
1389 and for value deals with a trustee, without knowledge that the trustee
1390 is exceeding or improperly exercising the trustee's powers, is protected
1391 from liability as if the trustee properly exercised the power.

1392 (b) A person other than a beneficiary who in good faith deals with a
1393 trustee is not required to inquire into the extent of the trustee's powers
1394 or the propriety of their exercise.

1395 (c) A person who in good faith delivers assets to a trustee need not
1396 ensure their proper application.

1397 (d) A person other than a beneficiary who in good faith assists a
1398 former trustee, or who in good faith and for value deals with a former
1399 trustee, without knowledge that the trustee has terminated, is
1400 protected from liability as if the former trustee were still a trustee.

1401 (e) Comparable protective provisions of other laws relating to
1402 commercial transactions or transfer of securities by fiduciaries prevail
1403 over the protection provided by this section.

1404 Sec. 82. (NEW) (*Effective January 1, 2004*) (a) Instead of furnishing a
1405 copy of the trust instrument to a person other than a beneficiary, the
1406 trustee may furnish to the person a certification of trust containing the
1407 following information: (1) That the trust exists and the date the trust
1408 instrument was executed; (2) the identity of the settlor; (3) the identity
1409 and address of the currently acting trustee; (4) the powers of the
1410 trustee; (5) the revocability or irrevocability of the trust and the
1411 identity of any person holding a power to revoke the trust; (6) the
1412 authority of cotrustees to sign or otherwise authenticate and whether
1413 all or less than all are required in order to exercise powers of the
1414 trustee; (7) the trust's taxpayer identification number; and (8) the

1415 manner of taking title to trust property.

1416 (b) A certification of trust may be signed or otherwise authenticated
1417 by any trustee.

1418 (c) A certification of trust must state that the trust has not been
1419 revoked, modified or amended in any manner that would cause the
1420 representations contained in the certification of trust to be incorrect.

1421 (d) A certification of trust need not contain the dispositive terms of a
1422 trust.

1423 (e) A recipient of a certification of trust may require the trustee to
1424 furnish copies of those excerpts from the original trust instrument and
1425 later amendments which designate the trustee and confer upon the
1426 trustee the power to act in the pending transaction.

1427 (f) A person who acts in reliance upon a certification of trust
1428 without knowledge that the representations contained therein are
1429 incorrect is not liable to any person for so acting and may assume
1430 without inquiry the existence of the facts contained in the certification.

1431 (g) A person who in good faith enters into a transaction in reliance
1432 upon a certification of trust may enforce the transaction against the
1433 trust property as if the representations contained in the certification
1434 were correct.

1435 (h) A person making a demand for the trust instrument in addition
1436 to a certification of trust or excerpts is liable for damages if the court
1437 determines that the person did not act in good faith in demanding the
1438 trust instrument.

1439 (i) This section does not limit the right of a person to obtain a copy
1440 of the trust instrument in a judicial proceeding concerning the trust.

1441 Sec. 83. (NEW) (*Effective January 1, 2004*) In applying and construing
1442 the uniform provisions of sections 1 to 85, inclusive, of this act,

1443 consideration must be given to the need to promote uniformity of the
1444 law with respect to its subject matter among states that enact such
1445 uniform provisions.

1446 Sec. 84. (NEW) (*Effective January 1, 2004*) If any provision of sections
1447 1 to 85, inclusive, of this act or its application to any person or
1448 circumstances is held invalid, the invalidity does not affect other
1449 provisions or applications of sections 1 to 85, inclusive, of this act
1450 which can be given effect without the invalid provision or application,
1451 and to this end the provisions of sections 1 to 85, inclusive, of this act
1452 are severable.

1453 Sec. 85. (NEW) (*Effective January 1, 2004*) (a) Except as otherwise
1454 provided in sections 1 to 85, inclusive, of this act, on the effective date
1455 of this section:

1456 (1) Sections 1 to 85, inclusive, of this act applies to all trusts created
1457 before, on or after the effective date of this section;

1458 (2) Sections 1 to 85, inclusive, of this act applies to all judicial
1459 proceedings concerning trusts commenced on or after the effective
1460 date of this section;

1461 (3) Sections 1 to 85, inclusive, of this act applies to judicial
1462 proceedings concerning trusts commenced before the effective date of
1463 this section, unless the court finds that application of a particular
1464 provision of sections 1 to 85, inclusive, of this act would substantially
1465 interfere with the effective conduct of the judicial proceedings or
1466 prejudice the rights of the parties, in which case the particular
1467 provision of sections 1 to 85, inclusive, of this act does not apply and
1468 the superseded law applies;

1469 (4) Any rule of construction or presumption provided in sections 1
1470 to 85, inclusive, of this act applies to trust instruments executed before
1471 the effective date of this section unless there is a clear indication of a
1472 contrary intent in the terms of the trust;

1473 (5) An act done before the effective date of this section is not
1474 affected by sections 1 to 85, inclusive, of this act;

1475 (6) The ninety-year period in subdivision (1) of section 29 of this act
1476 only applies to trusts that become irrevocable on or after the effective
1477 date of this section;

1478 (7) The provisions of subdivision (3) of subsection (a) of section 42 of
1479 this act only apply to revocable trusts of settlors dying on or after the
1480 effective date of this section;

1481 (8) To the extent that they apply to a spouse or former spouse, the
1482 provisions of subsection (b) of section 40 of this act and subsection (c)
1483 of section 41 of this act do not apply to testamentary and inter vivos
1484 trusts created under trust instruments, whether revocable or
1485 irrevocable, executed prior to the effective date of this section, and not
1486 amended on or after the effective date of this section; and

1487 (9) The provisions of subsections (b) and (c) of section 66 of this act
1488 only apply to trusts that become irrevocable on or after the effective
1489 date of this section.

1490 (b) If a right is acquired, extinguished or barred upon the expiration
1491 of a prescribed period that has commenced to run under any other
1492 statute before the effective date of this section, such statute continues
1493 to apply to the right even if it has been repealed or superseded.

1494 Sec. 86. Subsection (a) of section 45a-98 of the general statutes is
1495 repealed and the following is substituted in lieu thereof (*Effective*
1496 *January 1, 2004*):

1497 (a) Courts of probate in their respective districts shall have the
1498 power to: (1) ~~[grant]~~ Grant administration of intestate estates of
1499 persons who have died domiciled in their districts and of intestate
1500 estates of persons not domiciled in this state which may be granted as
1501 provided ~~[by]~~ in section 45a-303; (2) admit wills to probate of persons
1502 who have died domiciled in their districts or of nondomiciliaries

1503 whose wills may be proved in their districts as provided in section 45a-
1504 287; (3) except as provided in section 45a-98a or as limited by an
1505 applicable statute of limitations, determine title or rights of possession
1506 and use in and to any real, tangible or intangible property that
1507 constitutes, or may constitute, all or part of any trust, any decedent's
1508 estate, or any estate under control of a guardian or conservator, which
1509 trust or estate is otherwise subject to the jurisdiction of the Probate
1510 Court, including the rights and obligations of any beneficiary of the
1511 trust or estate and including the rights and obligations of any joint
1512 tenant with respect to survivorship property; (4) except as provided in
1513 section 45a-98a, construe the meaning and effect of any will or trust
1514 agreement if a construction is required in connection with the
1515 administration or distribution of a trust or estate otherwise subject to
1516 the jurisdiction of the Probate Court, or, with respect to an inter vivos
1517 trust, if that trust is or could be subject to jurisdiction of the court for
1518 an accounting pursuant to section 45a-175, provided such an
1519 accounting need not be required; (5) except as provided in section 45a-
1520 98a, apply the doctrine of cy pres or approximation; (6) to the extent
1521 provided for in section 45a-175, call executors, administrators, trustees,
1522 guardians, conservators, persons appointed to sell the land of minors,
1523 and attorneys-in-fact acting under powers of attorney created in
1524 accordance with section 45a-562, to account concerning the estates
1525 entrusted to their charge; (7) in trust matters, to take any action
1526 authorized in subsection (d) of section 12 of this act; and ~~[(7)]~~ (8) make
1527 any lawful orders or decrees to carry into effect the power and
1528 jurisdiction conferred upon them by the laws of this state.

1529 Sec. 87. Subsection (c) of section 45a-475 of the general statutes is
1530 repealed and the following is substituted in lieu thereof (*Effective*
1531 *January 1, 2004*):

1532 (c) The provisions of section ~~[45a-474 shall]~~ 52 of this act do not
1533 apply to the trusts specified in this section.

1534 Sec. 88. Section 45a-482 of the general statutes is repealed and the

1535 following is substituted in lieu thereof (*Effective January 1, 2004*):

1536 When the facts at the time of distribution from an estate to a trust or
1537 from a testamentary trust to a successive trust are such that no trust
1538 would be operative under the terms of the instrument creating such
1539 trust or successive trust because of the death of the life tenant, or
1540 because the beneficiary has reached a stipulated age, or if such trust
1541 would qualify for termination under section [45a-484] 34 of this act, or
1542 for any other reason, the fiduciary of such estate or prior trust may
1543 distribute, with the approval of the court of probate having
1544 jurisdiction, directly from the estate or prior trust to the remaindermen
1545 of such trust, the corpus of such trust and any income earned during
1546 the period of estate administration or administration of the prior trust
1547 and distributable to such remaindermen, without the interposition of
1548 the establishment of such trust or successive trust. If distribution is
1549 based on the fact that the trust would qualify for termination under
1550 section [45a-484] 34 of this act, reasonable notice shall be provided to
1551 all beneficiaries who are known and in being and who have vested or
1552 contingent interests in the trust.

1553 Sec. 89. Section 52-321 of the general statutes is repealed and the
1554 following is substituted in lieu thereof (*Effective January 1, 2004*):

1555 [Except as provided in sections 52-321a and 52-352b:

1556 (a) If property has been given to trustees to pay over the income to
1557 any person, without provision for accumulation or express
1558 authorization to the trustees to withhold the income, and the income
1559 has not been expressly given for the support of the beneficiary or his
1560 family, the income shall be liable in equity to the claims of all creditors
1561 of the beneficiary.

1562 (b) Any creditor of the beneficiary who has secured a judgment
1563 against the beneficiary may bring an action against him and serve the
1564 trustees with garnishee process, and the court to which the action is
1565 returnable may direct the trustees to pay over the net income derived

1566 from the trust estate to the judgment creditor, as the income may
1567 accrue, until the creditor's debt is satisfied.

1568 (c) The court having jurisdiction over the fund may make such an
1569 order for payment pursuant to subsection (b) when the beneficiary is a
1570 nonresident of this state, as well as when the beneficiary is a resident,
1571 but in the case of a nonresident beneficiary notice shall be given to the
1572 nonresident of the action against him as provided in section 52-87. The
1573 nonresidence of the beneficiary shall not deprive the court of authority
1574 to make such an order.

1575 (d) If any such trust has been expressly provided to be for the
1576 support of the beneficiary or his family, a court of equity having
1577 jurisdiction may make such order regarding the surplus, if any, not
1578 required for the support of the beneficiary or his family, as justice and
1579 equity may require.

1580 (e) The defendant trustee in any such action] In any action brought
1581 by a creditor of a beneficiary of a trust to enforce a judgment against
1582 the beneficiary in which a defendant trustee is served with garnishee
1583 process, the trustee shall be entitled to charge in the administration
1584 account of the trust such expenses and disbursements as the court to
1585 which the action is brought determines to be reasonable and proper.

1586 Sec. 90. (Effective January 1, 2004) Sections 45a-473, 45a-474, 45a-477,
1587 45a-484 and 45a-487 to 45a-487f, inclusive, of the general statutes are
1588 repealed.

This act shall take effect as follows:	
Section 1	January 1, 2004
Sec. 2	January 1, 2004
Sec. 3	January 1, 2004
Sec. 4	January 1, 2004
Sec. 5	January 1, 2004
Sec. 6	January 1, 2004
Sec. 7	January 1, 2004

Sec. 8	January 1, 2004
Sec. 9	January 1, 2004
Sec. 10	January 1, 2004
Sec. 11	January 1, 2004
Sec. 12	January 1, 2004
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Sec. 70	<i>January 1, 2004</i>
Sec. 71	<i>January 1, 2004</i>
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Sec. 79	<i>January 1, 2004</i>
Sec. 80	<i>January 1, 2004</i>
Sec. 81	<i>January 1, 2004</i>
Sec. 82	<i>January 1, 2004</i>
Sec. 83	<i>January 1, 2004</i>
Sec. 84	<i>January 1, 2004</i>
Sec. 85	<i>January 1, 2004</i>
Sec. 86	<i>January 1, 2004</i>
Sec. 87	<i>January 1, 2004</i>

Sec. 88	<i>January 1, 2004</i>
Sec. 89	<i>January 1, 2004</i>
Sec. 90	<i>January 1, 2004</i>

Statement of Purpose:

To adopt the Connecticut Uniform Trust Code.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]