



# Senate

General Assembly

**File No. 590**

January Session, 2007

Substitute Senate Bill No. 1047

*Senate, April 26, 2007*

The Committee on Judiciary reported through SEN. MCDONALD of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE CONNECTICUT UNIFORM TRANSFERS TO MINORS ACT.**

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

1 Section 1. Section 45a-558k of the general statutes is repealed and  
2 the following is substituted in lieu thereof (*Effective October 1, 2007*):

3 (a) A custodian may deliver or pay to the minor or expend for the  
4 minor's benefit so much of the custodial property as the custodian  
5 considers advisable for the use and benefit of the minor, without court  
6 order and without regard to (1) the duty or ability of the custodian  
7 personally or of any other person to support the minor, or (2) any  
8 other income or property of the minor which may be applicable or  
9 available for that purpose.

10 (b) A custodian may distribute all or part of the custodial property  
11 to a trust, including a trust created by the custodian, at any time and  
12 without court order, provided: (1) The minor is the sole beneficiary of  
13 the trust during the minor's lifetime; (2) the trust satisfies the

14 requirements of Section 2503(c) of the Internal Revenue Code of 1986,  
15 or any subsequent corresponding internal revenue code of the United  
16 States, as from time to time amended, and the regulations  
17 implementing said section; and (3) if the terms of the trust grant to the  
18 minor a right to withdraw the trust assets upon the minor's attainment  
19 of twenty-one years of age, (A) the trustee shall notify the minor in  
20 writing, by certified mail or similar means of delivery, of such right to  
21 withdraw, and (B) the time period during which such withdrawal may  
22 be made shall not be less than thirty days from the date the minor  
23 attains the age of twenty-one years or the date the minor receives such  
24 notification, whichever date is later. Such right to withdraw shall not  
25 lapse if the notification required by subparagraph (A) of subdivision  
26 (3) of this subsection is not received by the minor. Any distribution to a  
27 trust pursuant to this subsection terminates the custodianship to the  
28 extent of the custodial property so distributed. The provisions of this  
29 subsection shall apply to any custodianship under sections 45a-557 to  
30 45a-560b, inclusive, in existence on or after the effective date of this  
31 section.

32 [(b)] (c) On petition of an interested person or the minor if the minor  
33 has attained the age of twelve years, the court may order the custodian  
34 to deliver or pay to the minor or expend for the minor's benefit so  
35 much of the custodial property as the court considers advisable for the  
36 use and benefit of the minor.

37 [(c)] (d) A delivery, payment, [or] expenditure or distribution under  
38 this section is in addition to, not in substitution for, and does not affect  
39 any obligation of a person to support the minor.

40 Sec. 2. Section 45a-559e of the general statutes is repealed and the  
41 following is substituted in lieu thereof (*Effective October 1, 2007*):

42 The custodian shall transfer in an appropriate manner the custodial  
43 property to the minor, the legal representative of the minor or the  
44 personal representative of the minor's estate upon the earlier of (1) the  
45 minor's attainment of twenty-one years of age, or (2) the minor's death,  
46 unless a prior distribution of the custodial property has been made

47 pursuant to subsection (b) of section 45a-558k, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	45a-558k
Sec. 2	<i>October 1, 2007</i>	45a-559e

**JUD**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill is not expected to have a revenue impact since it does not alter the tax laws regarding gifts to minors.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****sSB 1047*****AN ACT CONCERNING THE CONNECTICUT UNIFORM TRANSFERS TO MINORS ACT.*****SUMMARY:**

The Uniform Transfers to Minors Act allows a person to transfer property to a custodian for the benefit of a minor. The custodian manages the property and can distribute money to or for the benefit of the minor.

Under current law, the custodian must transfer the property to the minor when the minor turns 21. This bill gives the custodian the option to distribute all or part of the property to a trust, at any time before the minor turns 21 and without court order, under certain conditions. The conditions are that:

1. the trust make the minor the sole beneficiary during the minor's life;
2. it meet federal tax provisions that require (a) the trust to authorize the property to be expended by or for the benefit of the minor before age 21 and (b) the property to pass to the minor at age 21 or the minor's estate if he or she dies before age 21, but the minor can extend the trust on turning 21; and
3. if the trust's terms give the minor the right to withdraw the assets at age 21, the trustee give the minor written notice by certified mail or similar means.

Regarding the right to withdrawal, the bill provides that the right does not lapse unless the minor receives notice and the time allowed for withdrawal is at least 30 days after the minor turns 21 or receives notice, whichever is later.

The bill provides that a distribution to a trust in this manner terminates the custodianship for the distributed property.

EFFECTIVE DATE: October 1, 2007

**COMMITTEE ACTION**

Judiciary Committee

Joint Favorable Substitute

Yea 42 Nay 1 (04/10/2007)