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TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE JUDICIARY COMMITTEE
MARCH 3, 2008

I appreciate the opportunity to support Senate Bill 508, An Act Adopting the Connecticut Uniform Trust Code and Establishing an Alternative Rule Against Perpetuities, provided an amendment is made to clarify the intent of the drafters not to affect the existing ability of the state to collect debts owed by a beneficiary of such trusts.

This legislation establishes in statute the basic rights and responsibilities of trustees, beneficiaries and creditors regarding spendthrift and discretionary trusts. My office encounters spendthrift and discretionary trusts as part of my duty to protect the charitable interests of donors to such trusts and with my responsibility to collect debts owed to the state of Connecticut.

Senate Bill 508 reflects a number of changes to protect the charitable trusts in our state. I greatly appreciate the efforts of the proponents of this legislation in working on language to ensure that the interests of donors to charitable trusts remain protected under this legislation.

The legislative proposal does not reflect concerns recently raised by attorneys in my office who are charged with the collection of millions of dollars of money owed to the taxpayers of the state of Connecticut for such debts as taxes, costs of incarceration, health care service and Medicaid insurance coverage. The ability of the state to collect these debts from certain types of trusts is based on over 50 years of common law.

The proponents of Senate Bill 508 confirmed that this legislation is not intended to overturn or alter existing common or statutory law concerning the collection of debt owed to the state's taxpayers. They have agreed to work with my office on an amendment to clarify this intent. I will forward to the committee the proposed amendment for your favorable consideration.

Thank you.