

# HB1242



## 99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB1242

by Rep. Michael J. Madigan

### SYNOPSIS AS INTRODUCED:

760 ILCS 5/4.26

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

LRB099 05094 HEP 25123 b

A BILL FOR

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

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

6 (760 ILCS 5/4.26)

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

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

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

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

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

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

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