

SB11 ENROLLED



1 KH89A5-3
2 By Senator Barfoot
3 RFD: Judiciary
4 First Read: 07-Mar-23
5 PFD: 13-Feb-23
6 2023 Regular Session



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1 Enrolled, An Act,

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4 Relating to the Alabama Uniform Trust Code; to amend
5 Section 19-3B-414, Code of Alabama 1975, to further provide
6 for the modification or termination of an uneconomic trust.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 19-3B-414, Code of Alabama 1975, is
9 amended to read as follows:

10 "§19-3B-414

11 (a) ~~After~~ Subject to subsection (e), after notice to
12 the qualified beneficiaries, the trustee of a trust consisting
13 of trust property having a total value less than ~~\$50,000~~ one
14 hundred thousand dollars (\$100,000) may terminate the trust if
15 the trustee concludes that the value of the trust property is
16 insufficient to justify the cost of administration.

17 (b) The court may modify or terminate a trust or remove
18 the trustee and appoint a different trustee if ~~it~~ the court
19 determines that the value of the trust property is
20 insufficient to justify the cost of administration.

21 (c) Upon termination of a trust under this section, the
22 trustee shall distribute the trust property in a manner
23 consistent with the purposes of the trust.

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

26 (e) (1) The dollar amount provided in subsection (a)
27 shall apply to any trust consisting of trust property during
28 the 2023 calendar year.

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29 (2)a. Beginning January 1, 2024, the dollar amount
30 described in subsection (a) shall be increased or decreased if
31 the Consumer Price Index (C.P.I.) for the calendar year
32 immediately preceding the year of value determination exceeds
33 or is less than the reference base index.

34 b. The amount of any increase or decrease shall be
35 computed by multiplying each dollar amount by the percentage
36 by which the C.P.I. for the calendar year immediately
37 preceding the value determination exceeds or is less than the
38 reference base index.

39 c. If any increase or decrease produced by the
40 computation is not a multiple of one hundred dollars (\$100),
41 the increase or decrease shall either be rounded down if there
42 is an increase, or rounded up if there is a decrease, to the
43 next multiple of one hundred dollars (\$100).

44 d. If the C.P.I. for the 2022 calendar year is changed
45 by the Bureau of Labor Statistics, the reference base index
46 shall be revised using the rebasing factor reported by the
47 Bureau of Labor Statistics, or other comparable data if a
48 rebasings factor is not reported.

49 e. On or before February 1, 2024, and on or before
50 February 1 of each succeeding calendar year thereafter, the
51 State Treasurer shall publish a cumulative list, beginning
52 with the dollar amounts effective for value determination of a
53 trust consisting of trust property for the 2023 calendar year,
54 of the dollar amount as increased or decreased under this
55 section.

56 f. As used in this section, the following terms have

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57 the following meanings:

58 1. CONSUMER PRICE INDEX or C.P.I. The Consumer Price
59 Index for All Urban Consumers (CPI-U) reported by the Bureau
60 of Labor Statistics of the United States Department of Labor
61 or, if the index is discontinued, an equivalent index reported
62 by a federal authority. If no such index is reported, the term
63 means the substitute index chosen by the State Treasurer.

64 2. REFERENCE BASE INDEX. The C.P.I. for the 2022
65 calendar year."

66 Section 2. This act shall become effective immediately
67 following its passage and approval by the Governor, or its
68 otherwise becoming law.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB11

Senate 06-Apr-23

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris,
Secretary.

House of Representatives

Passed: 02-May-23

By: Senator Barfoot