

SENATE BILL NO. 63

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee for Courts of Justice

on _____)

(Patron Prior to Substitute--Senator McDougle)

A BILL to amend and reenact § 64.2-732 of the Code of Virginia, relating to modification or termination of uneconomic trust; notice.

Be it enacted by the General Assembly of Virginia:

1. That § 64.2-732 of the Code of Virginia is amended and reenacted as follows:

§ 64.2-732. Modification or termination of uneconomic trust.

A. After notice to the qualified beneficiaries, the trustee of a trust consisting of trust property having a total value less than \$100,000 may terminate the trust without court approval if the trustee concludes that the value of the trust property is insufficient to justify the cost of administration. Notice required by this section shall be sent in accordance with § 64.2-707.

B. The court may modify or terminate a trust or remove the trustee and appoint a different trustee if it determines that the value of the trust property is insufficient to justify the cost of administration.

C. Upon termination of a trust under this section, the trustee shall distribute the trust property in a manner consistent with the purposes of the trust and may simultaneously utilize the provisions of § 64.2-779.

D. This section does not apply to an easement for conservation or preservation.

E. Expenses incurred by the trustee incident to the termination of a trust pursuant to this section shall be paid by the trust estate.

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