

March 7, 2022

Nancy Strouse, Executive Director
Kansas Judicial Council
301 SW 10th Avenue
Topeka, Kansas 66612

Dear Ms. Strouse:

I am writing to request the Kansas Judicial Council study a topic that arose during the consideration of legislation by the Senate Committee on Financial Institutions and Insurance during the 2022 Session. I believe that in-depth consideration of the issues raised by the legislation by the Judicial Council would be appropriate and helpful before the Legislature considers this issue next session.

Substitute for SB 400 certain requirements and conditions relating to the creation, modification and termination of trusts in the Kansas uniform trust code and updating the definition of resident trust for tax purposes.

SB 400 was introduced at the request of Kansas Bankers Association on behalf of their member Midwest Trust. The Bankers and Midwest Trust testified in favor of the bill while the Kansas Bar Association took a neutral position.

Prior to the scheduled hearing on SB 400 it came to our attention that the Kansas judicial Council was working on amending various Decanting statutes within the Kansas Uniform Trust Code. SB 400 as introduced, would have also amended those Decanting statutes with language from the Missouri Trust code. We believe these two various decanting proposals should be studied to determine which would best fit within our current trust code scheme.

The Kansas Bankers Association, along with Midwest Trust, agreed to amend their initial proposal by removing the decanting amendments and the provision eliminating the Rules Against Perpetuities. This agreement was contingent upon the Kansas Bar Association requesting this study, which we do so now.

I would appreciate any recommendation by the Judicial Council regarding this topic and Senate Sub for SB 400, including ways to address the concerns raised at the hearing.

I have included with this letter testimony from that hearing, which is available at http://www.kslegislature.org/li/b2021_22/measures/SB400/testimony .

Please let me know if I can provide any further information or answer any questions regarding this request.

Sincerely,

Joseph Molina
KBA Director of Legislative Services