
DIGEST

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HB 75 Original

2020 Regular Session

Robby Carter

Abstract: Removes maximum terms for trusts when a term is specified and authorizes trusts to specify an indefinite term.

Present law provides that a beneficiary must be in being and ascertainable on the date of the creation of the trust, except as otherwise provided by law. An unborn child is deemed a person in being and ascertainable if he is born alive.

Proposed law retains present law and provides that a successive or substitute beneficiary of principal or interest is not required to be in being on the date of the creation of the trust.

Present law provides limitations for the maximum term of a trust, when a term is stipulated, based on certain criteria such as the timing of the death of the settlor and the beneficiary and whether or not a party is a natural person.

Proposed law provides that if the trust instrument stipulates no term, the trust shall terminate based on criteria prescribed by present law.

Proposed law provides that a trust shall terminate upon the term stipulated by the trust instrument, and that the trust may be created for any term, including an indefinite term.

Present law provides that if the stipulated term of the trust exceeds the maximum allowable term provided by law, the term of the trust shall be deemed the maximum allowable term as provided by present law.

Proposed law repeals this provision of present law.

(Amends R.S. 9:1803, 1831, and 1832; Repeals R.S. 9:1833)