

Assembly Bill No. 1700

CHAPTER 64

An act to amend Section 16501 of the Probate Code, relating to trusts.

[Approved by Governor July 22, 2016. Filed with
Secretary of State July 22, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1700, Maienschein. Trusts: Notice of proposed action by trustee.

Existing law provides for the creation, modification, and termination of trusts, and regulates the acts of trustees in administering a trust. Existing law establishes provisions by which a trustee may give a notice of proposed action regarding certain matters, while prohibiting the use of these notices for other specified actions, including preliminary and final distributions and discharge.

This bill would instead authorize a trustee to provide a notice of proposed action for preliminary and final distributions. The bill would make other technical, nonsubstantive changes in that regard.

The people of the State of California do enact as follows:

SECTION 1. Section 16501 of the Probate Code is amended to read:

16501. (a) The trustee who elects to provide notice pursuant to this chapter shall mail notice of the proposed action to each of the following:

(1) A beneficiary who is receiving, or is entitled to receive, income under the trust, including a beneficiary who is entitled to receive income at the discretion of the trustee.

(2) A beneficiary who would receive a distribution of principal if the trust were terminated at the time the notice is given.

(b) Notice of proposed action is not required to be given to a person who consents in writing to the proposed action. The consent may be executed at any time before or after the proposed action is taken.

(c) A trustee is not required to provide a copy of the notice of proposed action to a beneficiary who is known to the trustee but who cannot be located by the trustee after reasonable diligence or who is unknown to the trustee.

(d) Notwithstanding any other provision of this chapter, the trustee may not use a notice of proposed action in any of the following actions:

- (1) Allowance of the trustee's compensation.
- (2) Allowance of compensation of the attorney for the trustee.
- (3) Settlement of accounts.
- (4) Discharge of the trustee.

- (5) Sale of property of the trust to the trustee or to the attorney for the trustee.
- (6) Exchange of property of the trust for property of the trustee or for property of the attorney for the trustee.
- (7) Grant of an option to purchase property of the trust to the trustee or to the attorney for the trustee.
- (8) Allowance, payment, or compromise of a claim of the trustee, or the attorney for the trustee, against the trust.
- (9) Compromise or settlement of a claim, action, or proceeding by the trust against the trustee or against the attorney for the trust.
- (10) Extension, renewal, or modification of the terms of a debt or other obligation of the trustee, or the attorney for the trustee, owing to or in favor of the trust.