

SENATE FILE NO. SF0097

Trust code revisions.

Sponsored by: Senator(s) Case, Nethercott and Olsen and
Representative(s) Lawley

A BILL

for

1 AN ACT relating to the uniform trust code; clarifying the
2 definition of "qualified trustee"; specifying who is
3 required to receive notice for judicial proceedings related
4 to trusts; specifying that no rule of perpetuities applies
5 to noncharitable purpose trusts; specifying when a trustee
6 can reimburse a person for certain tax costs attributable
7 to the trust; specifying applicability; and providing for
8 an effective date.

9

10 *Be It Enacted by the Legislature of the State of Wyoming:*

11

12 **Section 1.** W.S. 4-10-103(a)(xxxv)(intro), (B)(intro)
13 and (C), 4-10-109 by creating a new subsection (e),
14 4-10-410(a)(iv) and 4-10-816(a)(xxxi), (xxxii) and by

1 creating a new paragraph (xxxiii) and (b) are amended to
2 read:

3

4 **4-10-103. Definitions.**

5

6 (a) As used in this act:

7

8 (xxxv) "Qualified trustee", as used in article 5
9 of this act, means:

10

11 (B) A person authorized by the law of this
12 state to act as a trustee or a regulated financial
13 institution ~~which~~ that conducts one (1) or more of the
14 following activities within this state:

15

16 (C) Neither the settlor, either directly or
17 indirectly through an entity, unless discretionary
18 distributions by the entity require the consent or approval
19 of one (1) or more disinterested persons who are not a
20 related or subordinate party with respect to the settlor
21 within the meaning of 26 U.S.C. § 672(c), nor any other
22 natural person who is a nonresident of this state, nor an
23 entity that is not authorized by the law of this state to

1 act as a trustee or is not a regulated financial
2 institution, may serve as a qualified trustee.

3

4 **4-10-109. Methods and waiver of notice.**

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6 (e) For any judicial action or proceeding concerning
7 a trust under this act, notice shall only be required to be
8 provided to interested persons as defined in W.S.
9 4-10-201(d).

10

11 **4-10-410. Noncharitable trust without ascertainable**
12 **beneficiary.**

13

14 (a) Except as otherwise provided in W.S. 4-10-409 or
15 by another statute, the following rules apply:

16

17 (iv) No common law rule limiting the duration of
18 noncharitable purpose trusts is in force in this state, and
19 no common law rule of perpetuities that is otherwise in
20 force in this state shall apply to noncharitable purpose
21 trusts.

22

23 **4-10-816. Specific powers of trustee.**

1

2 (a) Without limiting the authority conferred by W.S.
3 4-10-815, a trustee may:

4

5 (xxxi) Exercise elections with respect to
6 federal, state and local taxes; ~~and~~

7

8 (xxxii) Decide each trust taxable year whether
9 principal distributions made from a trust to a beneficiary
10 include net realized capital gains and losses in section
11 643(a) of the Internal Revenue Code distributable net
12 income; ~~and~~ and

13

14 (xxxiii) Except as otherwise provided under this
15 paragraph or under the terms of a trust, if all or any
16 portion of the trust is treated as being owned by a person
17 under 26 U.S.C. § 671 or any similar federal, state or
18 other tax law, the trustee may, in the trustee's sole
19 discretion, reimburse or pay on behalf of the person being
20 treated as the owner any amount of the person's personal
21 federal, state or other income tax liability that is
22 attributable to the inclusion of the trust's income,
23 capital gains, deductions or credits in the calculation of

1 the person's taxable income. This paragraph shall not apply
2 to a trustee who is the settlor or a person who is a
3 related or subordinate party to the settlor within the
4 meaning of 26 U.S.C. § 672(c). Neither the power authorized
5 under this paragraph or the exercise of the power under
6 this paragraph shall cause the settlor to be treated as a
7 beneficiary of the trust, the trust property to be
8 includable in the estate of the settlor or otherwise
9 entitle a creditor of the settlor to compel, attach or
10 otherwise encumber a payment authorized under this
11 paragraph. The provisions of this paragraph apply to all
12 trusts governed by the laws of this state unless an
13 independent trustee of the trust irrevocably elects
14 otherwise in writing.

15
16 (b) The ~~power~~ powers provided in ~~paragraph~~ paragraphs
17 (a)(xxviii) and (xxxiii) of this section shall not be
18 exercised in any manner that would prevent qualification
19 for a federal estate or gift tax marital deduction, federal
20 estate or gift tax charitable deduction, or other federal
21 income, estate, gift or generation-skipping transfer tax
22 benefit claimed for the trust from which the distribution
23 in further trust is made. If the trustee making a

1 distribution in further trust under paragraph (a)(xxviii)
2 of this section is a beneficiary of the trust from which
3 the distribution in further trust is made, the distribution
4 in further trust may not change the trustee's interest as a
5 beneficiary in the trust. A trustee shall not be liable for
6 exercising the ~~power~~powers permitted under ~~paragraph~~
7 paragraphs (a)(xxviii) or (xxxiii) of this section if the
8 power is exercised in good faith.

9

10 **Section 2.** This act shall apply to all trusts created
11 or that become subject to the uniform trust code on or
12 after July 1, 2025.

13

14 **Section 3.** This act is effective July 1, 2025.

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16

(END)