

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6242S.01I  
 Bill No.: SB 1468  
 Subject: Administrative Law; Attorneys; Banks and Financial Institutions; Cemeteries; Civil Procedure; Estates, Wills and Trusts; Liability; State Departments  
 Type: Original  
 Date: March 31, 2026

Bill Summary: This proposal modifies provisions relating to civil jurisprudence.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*OSCA's potential unknown costs assumed to be less than \$250,000 annually.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**§§214.330, 456.4-420, 469.399-469.487, 513.430, and 536.085 – Provisions Relating to Civil Jurisprudence**

Officials from the **Office of the State Courts Administrator (OSCA)** state this proposal may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

**Oversight** notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Department of Commerce and Insurance** and **Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost – OSCA (§§214.330,456.4-420, 469.399-469.487, 513.430 &amp; 536.085)</u> Potential increase in costs p.3	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This act modifies provisions relating to civil jurisprudence, including income and principal of endowed care trust funds, no-contest clauses in trust instruments, Missouri Uniform Fiduciary Income and Principal Act, property exempt from attachment and execution in bankruptcy, and awards of attorney's fees in agency proceedings.

#### ENDOWED CARE TRUST FUND (SECTION 214.330)

This act provides that the income and principal of an endowed care trust fund shall be determined under the laws applicable to trusts, except the trustee shall not have:

- The power of adjustment;
- The power of conversion of an income trust to a unitrust or from a unitrust to an income trust;
- the power of discretion to determine or modify the unitrust rate, as established in the terms of the endowed care trust agreement; and
- Discretion to determine the applicable value for computing the unitrust amount beyond that which is granted under the law and exercised solely for reasons of administrative convenience and not to affect the distribution size.

Additionally, no principal shall be distributed from an endowed care trust fund, except to the extent that a unitrust amount is required by the terms of the endowed care trust fund agreement.

Income for a unitrust shall be established by the cemetery operator in the terms of an endowed care trust fund agreement and shall not provide for a unitrust rate in excess of five percent per annum. The unitrust rate may only be changed by amendment to the agreement. Furthermore, this act provides that the cemetery operator may instruct the trustee to distribute less than all of the yearly income distributable if the cemetery operator determines that the money is not needed.

#### NO-CONTEST CLAUSES IN TRUST INSTRUMENTS (SECTION 456.4-420)

This act modifies provisions relating to no-contest clauses contained in trust instruments. Currently, when a no-contest clause is irrevocable, an interested person may file a petition for an interlocutory determination whether a particular motion, petition, or other claim for relief would trigger application of the no-contest clause or an enforceable forfeiture. This act instead provides that an interested person may file a petition for a determination whether a particular claim would trigger application of the no-contest clause when a no-contest clause is irrevocable. Additionally, this act provides that the petition shall be filed as a separate judicial proceeding. Furthermore, an order or judgment on a petition shall relate to all actions taken by all parties. An interested

person that does not seek a determination is not prohibited from challenging the validity or application of a no-contest clause in a proceeding without the protections afforded by this act.

In addition to exceptions provided in current law, this act provides that a no-contest clause is not enforceable in the following circumstances:

- In the filing of petitions in accordance with this act;
- In the participation in a suit by any interested person where the person has not asserted any affirmative claim for relief;
- As to the interested persons who are a party to an action, to the extent the court determines that the application of the no-contest clause is void or unenforceable as against public policy;
- When a no-contest clause does not include the factual allegations of the petition as they apply to the specific terms of the trust;
- When a no-contest clause seeks to cause a forfeiture against a beneficiary challenging a term of a trust that would otherwise be prohibited under current law.

MISSOURI UNIFORM FIDUCIARY INCOME AND PRINCIPAL ACT (SECTIONS 469.399 TO 469.487 & THE REPEAL OF SECTIONS 469.409, 469.411 & 469.461)

This act establishes the "Missouri Uniform Fiduciary Income and Principal Act" which applies to trusts and estates where Missouri is the principal place of administration and to property in Missouri that is subject to a life estate or other term interest and in which the interest of one or more persons will be succeeded by the interest of another.

This act provides requirements for fiduciaries when making an allocation or determination or exercising discretion pursuant to this act, including acting in good faith and administering the trust or estate impartially and in accordance with the terms of the trust and this act. Specifically, the fiduciary shall add a receipt and charge disbursement to principal. Additionally, the fiduciary may exercise the power to adjust, convert an income trust to a unitrust, change the percentage or method used to calculate a unitrust amount, or convert a unitrust to an income trust, if the fiduciary determines that such actions will assist the fiduciary to administer the trust or estate impartially.

The court shall not order a fiduciary to change a decision unless there was an abuse of discretion, upon which the court may order a remedy to place the beneficiaries in the positions as if there was not an abuse of discretion. A fiduciary may petition the court for instruction on whether a proposed fiduciary decision will result in an abuse of discretion. If the petition meets the requirements of this act, the beneficiaries have the burden to establish that a fiduciary decision will result in an abuse of discretion.

Additionally, this act modifies provisions relating to fiduciary determinations of net income upon the death of an individual resulting in the creation of an estate or trust or in the termination of an income interest in a trust, relating to rights of beneficiaries to receive a share of net income, relating to dates on which income interests begin, assets become subject to a trust, and fiduciary

allocation of an income receipt or disbursement to principal, and relating to mandatory income interests and undistributed income.

As provided by this act, a fiduciary shall allocate as income any money received in an entity distribution, as defined in the act, and any tangible personal property of nominal value received from the entity. A fiduciary shall also allocate as principal certain moneys and other property received in an entity distribution. The act further provides factors for a fiduciary to determine or estimate that money received in an entity distribution is a capital distribution.

The fiduciary, instead of the trustee, shall also allocate to income amounts received as a distribution of income, including a unitrust distribution, from a trust or estate in which the fiduciary, instead of the trust, has an interest, other than an interest the fiduciary purchased in a trust that is an investment entity, and shall allocate to principal amounts received as a distribution of principal from the trust or estate. Furthermore, this act makes changes to the provisions relating to businesses or other activity conducted by a fiduciary if the fiduciary determines that it is in the interests of the beneficiaries to account separately.

Additionally, this act modifies provisions relating to allocations to principal by the fiduciary instead of the trustee, allocations of rental property income, allocations of amounts received as interest or from the sale, redemption, or other disposition on an obligation to pay money, and allocations of proceeds of a life insurance policy or other contract received by the fiduciary as beneficiary. If a fiduciary, instead of a trustee, determines that an allocation between income and principal is insubstantial, the fiduciary may allocate the entire amount to principal. The act further modifies the factors for a fiduciary to presume an allocation is insubstantial. Such power may be exercised by a co-fiduciary or may be released or delegated as provided by law.

This act repeals provisions relating to the income allocation of payments characterized as distributions to the trustee and instead provides rules for separate funds, as defined in the act, and requirements of fiduciaries of marital trusts. Furthermore, this act modifies provisions relating to liquidating assets and the failure of a fiduciary to account for receipts from the interests in minerals, water, or other natural resources, from the sale of timber and related products, or for transactions in derivatives. This act also contains modifications to the provisions relating to marital deductions, including qualifications for such deductions, and allocations of receipts related to an asset-backed security to income. Specifically, a fiduciary shall allocate receipts related to a financial instrument or arrangement not addressed by this act.

This act modifies provisions relating to required income and principal disbursements by fiduciaries, rather than trustees, and transfers to principal of net cash receipts from a principal asset that is subject to depreciation. A fiduciary may transfer an appropriate amount from principal to income in an accounting period to reimburse income if the fiduciary makes or expects to make an income disbursement, as described in the act. The provision regarding transfer of an amount from income in an accounting period to reimburse principal or to provide a reserve for future principal disbursements is also modified.

Additionally, this act repeals the existing provision relating to adjustments between principal and income and provides that a fiduciary may make an adjustment between income and principal to offset the shifting of economic interests or tax benefits between current income beneficiaries and successor beneficiaries that arises from:

- (1) An election or decision the fiduciary makes regarding a tax matter, other than a decision to claim an income tax deduction;
- (2) An income tax or other tax imposed on the fiduciary or a beneficiary as a result of a transaction involving the fiduciary or a distribution by the fiduciary; or
- (3) Ownership by the fiduciary of an interest in an entity, a part of whose taxable income, whether or not distributed, is includable in the taxable income of the fiduciary or a beneficiary.

A fiduciary may offset a charge to each beneficiary that benefits from a decrease in an income tax to reimburse the principal from which the increase in estate tax is paid by obtaining payment from the beneficiary, withholding an amount from future distributions to the beneficiary, or adopting another method.

This act modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, except for certain provisions relating to consumer disclosures, and does not authorize electronic delivery of certain notices.

Additionally, this act repeals existing provisions relating to unitrust amounts and establishes new provisions relating to unitrusts, which is defined as a trust for which net income is an amount computed by multiplying a determined value of a trust by a determined percentage. The conversion of an income trust to a unitrust and for the determination of the rate used to compute the unitrust amount is provided in this act.

Furthermore, this act provides for certain requirements for a unitrust policy. Specifically, the policy:

- (1) Shall provide the unitrust rate or method for determining such rate, the method for determining the applicable value of assets, and rules for the unitrust administration;
- (2) Shall provide the period used for the determination of the rate and value;
- (3) May provide standards for using fewer preceding periods if certain circumstances exist and prorating the unitrust amount on a daily basis for a part of a period in which the trust or the administration of the trust as a unitrust or the interest of any beneficiary commences or terminates; and
- (4) May provide methods and standards for determining the timing of distributions, making distributions in cash or in kind, or correcting an underpayment or overpayment to a beneficiary based on the unitrust amount if there is an error in calculating the unitrust amount, or may provide other standards and rules to serve the interest of the beneficiaries.

This act also provides that if a trust qualifies for a special tax benefit or if a fiduciary is not an independent person, the unitrust rate shall not be less than three percent and no more than five percent and that only certain provisions of this act apply.

Finally, certain provisions relating to the statute of limitations on claims of a breach of trustee's duty to impartially administer a trust are repealed.

The provisions of this act apply to trusts and estates existing or created on or after August 28, 2026, except if expressly provided in the terms of the trust or by this act.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Commerce and Insurance  
Office of the State Courts Administrator  
Office of the State Treasurer



Julie Morff  
Director  
March 31, 2026



Jessica Harris  
Assistant Director  
March 31, 2026