

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 161 Session of
2001

INTRODUCED BY CURRY, CORRIGAN, LAUGHLIN, MANDERINO, SHANER AND
WASHINGTON, JANUARY 23, 2001

REFERRED TO COMMITTEE ON JUDICIARY, JANUARY 23, 2001

AN ACT

1 Amending Title 20 (Decedents, Estates and Fiduciaries) of the
2 Pennsylvania Consolidated Statutes, providing for the removal
3 and replacement of a corporate or individual trustee.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 20 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 7122. Removal and replacement of corporate or individual
9 trustee.

10 (a) Court approval necessary to replace.--Upon petition by
11 the sui juris beneficiaries of a trust, the creator of which is
12 deceased, voting such that each income beneficiary shall cast
13 two votes and each remainder beneficiary shall cast one vote,
14 with a simple majority of votes to rule and income interests to
15 break ties, a court of appropriate jurisdiction shall remove and
16 replace an incumbent trustee (individual, corporate or other
17 entity) with a corporate trustee whether or not grounds exist
18 for removal under section 7121 (relating to grounds and

1 procedure).

2 (b) Representation.--If there are no sui juris beneficiaries
3 or if the remainder interests of any sui juris beneficiary may
4 be modified or eliminated by the exercise of another
5 petitioner's power of appointment, the court of appropriate
6 jurisdiction may appoint a guardian or trustee ad litem or shall
7 specify representatives to represent the remainder interests.

8 (c) Reasonable costs.--An incumbent corporate trustee shall
9 be entitled to reimbursement from the trust for its reasonable
10 costs incident to a final accounting and asset transfer.

11 (d) Substantial change in ownership or management of
12 corporate trustee.--Any argument made against removal of a
13 trustee which is based on a presumption that the trust creator
14 had special confidence in the trustee may be rebutted by a
15 showing of substantial change of ownership or management of the
16 trustee subsequent to the trust's creation.

17 (e) Release.--In the event a corporate trustee is removed
18 under the provisions of this section, that trustee shall be
19 released from responsibility for any past administrative or
20 investment actions.

21 Section 2. This act shall take effect immediately.