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SENATOR CUDABACK: Time. Members, I know it's early in the morning, but please try to hold your conversations down, in respect for the speakers. Thank you very much. On with discussion, Senator Beutler.

SENATOR BEUTLER: If I may continue, Senator Redfield. Page 19, line 23. And I think that Senator Mines attempted to explain this a little bit, but I was a little slow. It says, a trustee--and this is with respect to converting a trust to what's called a total return trust--a trustee has no duty to inform a beneficiary about the availability and provisions of this section. I wanted to go back and, if it's a fair question, ask you about the overall intent and methodology of this particular section of the bill, in order to better understand why a...why there's no duty to a beneficiary to inform them of their possible rights in the situation of a conversion. And if we can better discuss this off the floor, that would be fine. But I just wanted to identify that as a question. What...the ability to convert to a total return trust, for whose benefit is that? What basically happens, and for whose benefit is that?

SENATOR REDFIELD: Well, you're talking about an income trust. And your...the conversion would allow them to have the discretion to withdraw the principal as well as the interest earnings. And so the language change would clarify that, so in fact that would be possible. But you have to understand, in any conversion process there are a number of steps that are necessary to protect both the creditor and the person who owns this trust. So there are a number of steps that are necessary. But this would actually allow them to convert to a trust, which would allow them to return both income and the appreciation on the principal, without differentiating between the two.

SENATOR BEUTLER: So is it designed to provide for greater income and less residual value?

SENATOR REDFIELD: Yes, it could.

SENATOR BEUTLER: Okay. And some beneficiary may benefit only from the residual value?