

2014 -- S 2635

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO FIDUCIARIES

Introduced By: Senators Jabour, Lombardi, and Lombardo

Date Introduced: March 04, 2014

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 18-4 of the General Laws entitled "Powers of Fiduciaries" is  
2 hereby amended by adding thereto the following section:

3           **18-4-32. Powers to direct.** – (a) While a trust is revocable, the trustee may follow a  
4 direction of the settlor that is contrary to the terms of the trust;

5           (b) If the terms of a trust confer on a person other than the settlor of a revocable trust the  
6 power to direct certain actions of the trustee, the trustee shall act in accordance with an exercise  
7 of the power unless the attempted exercise is manifestly contrary to the terms of the trust or the  
8 trustee knows the attempted exercise would constitute a serious breach of a fiduciary duty that the  
9 person holding the power owes to the beneficiaries of the trust;

10           (c) The terms of a trust may confer on a trustee or other person a power to direct the  
11 modifications or termination of the trust;

12           (d) A person who holds a power to direct is presumptively a fiduciary who is required to  
13 act in good faith, with regard to the purposes of the trust and the interests of the beneficiaries. The  
14 holder of a power to direct shall be liable for any loss that results from a breach of fiduciary duty.

15           SECTION 2. This act shall take effect on passage and shall apply to all trusts, whenever  
16 executed.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO FIDUCIARIES

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1           This act would permit the settlor of a revocable trust to provide for a person other than  
2 the trustee to direct actions of the trust.

3           This act would take effect on passage and would apply to all trusts, whenever executed.

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