S T A T E O F N E W Y O R K

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I N S E N A T E

May 12, 2016

Introduced by Sen. BONACIC -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the estates, powers and trusts law, in relation to a trustee's power to adjust under the prudent investor act

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subparagraph 5 of paragraph (b) of section 11-2.3 of the estates, powers and trusts law is amended by adding a new clause (G) to read as follows:

(G) ANY EXERCISE OF THE POWER TO ADJUST UNDER THIS SUBPARAGRAPH, WHETHER FROM INCOME TO PRINCIPAL OR FROM PRINCIPAL TO INCOME, SHALL CONSTITUTE A RE-CHARACTERIZATION OF THE TRANSFERRED AMOUNT FROM INCOME TO PRINCIPAL OR FROM PRINCIPAL TO INCOME, AS THE CASE MAY BE, FOR PURPOSES OF CALCULATING COMMISSIONS UNDER ARTICLE TWENTY-THREE OF THE SURROGATE'S COURT PROCEDURE ACT AND, FOR SUCH PURPOSES, SUCH RE-CHARACTERIZATION SHALL BE DEEMED TO TAKE EFFECT ON THE DATE THAT SUCH TRANSFER FROM INCOME TO PRINCIPAL OR FROM PRINCIPAL TO INCOME, AS THE CASE MAY BE, IS MADE ON A TRUST'S RECORDS.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD15003-02-6