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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO POWERS OF FIDUCIARIES

Introduced By: Representative Michael J. Marcello

Date Introduced: March 04, 2014

Referred To: House 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 upon passage and shall apply to all trusts,
16 whenever executed.

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

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

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

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