A bill for an act

relating to trust property; authorizing the use of debit or credit cards to draw funds from custodial trust accounts; amending Minnesota Statutes 2006, section 529.08.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 529.08, is amended to read:

529.08 USE OF CUSTODIAL TRUST PROPERTY.

(a) A custodial trustee shall pay to the beneficiary or expend for the beneficiary's use and benefit so much or all of the custodial trust property as the beneficiary while not incapacitated may direct from time to time.

(b) If the beneficiary is incapacitated, the custodial trustee shall expend so much or all of the custodial trust property as the custodial trustee considers advisable for the use and benefit of the beneficiary and individuals who were supported by the beneficiary when the beneficiary became incapacitated, or who are legally entitled to support by the beneficiary. Expenditures may be made in the manner, when, and to the extent that the custodial trustee determines suitable and proper, without court order and without regard to other support, income, or property of the beneficiary.

(c) A custodial trustee may establish checking, savings, or other similar accounts of reasonable amounts under which either the custodial trustee or the beneficiary may withdraw funds from, ~~or~~ draw checks against, or use a debit or credit card to make payments from the accounts. Funds withdrawn from, ~~or~~ checks written against, or payments made from the account by the beneficiary are distributions of custodial trust property by the custodial trustee to the beneficiary.