

S.F. No. 2729 – Modification of definition of resident trust

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This bill modifies the definition of “resident trust” for purposes of establishing nexus. For trusts (except grantor trusts) that become irrevocable on or before December 13, 1995, or were first administered in Minnesota on or before December 31, 1995, the trust is a resident trust only in the case that at least two of the following conditions are satisfied:

- a majority of the discretionary decisions of the trustees relative to the investment of trust assets are made in Minnesota;
- a majority of the discretionary decisions of the trustees relative to the distributions of trust income and principal are made in Minnesota; or
- the official books and records of the trust, consisting of the original minutes of trustee meetings and the original trust instruments, are located in Minnesota.

For trusts (except grantor trusts) that become irrevocable after December 13, 1995, or were first administered in Minnesota after December 31, 1995, the trust is a resident trust only in the case that either:

- it was created by a will of a decedent was domiciled in Minnesota on the decedent’s date of death; *or*
- is an irrevocable trust whose grantor was domiciled in Minnesota at the time the trust became irrevocable;

and at least two of the following conditions are satisfied:

- a majority of the discretionary decisions of the trustees relative to the investment of trust assets are made in Minnesota;
- a majority of the discretionary decisions of the trustees relative to the distributions of trust income and principal are made in Minnesota; or
- the official books and records of the trust, consisting of the original minutes of trustee meetings and the original trust instruments, are located in Minnesota.

The bill reorganizes the structure of the statute to reflect the new language described above.

Effective the day following final enactment.