

# 2024 SESSION

## HOUSE SUBSTITUTE

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### HOUSE BILL NO. 332

#### AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee for Courts of Justice  
on January 19, 2024)

(Patron Prior to Substitute—Delegate Jones)

A *BILL to amend and reenact § 64.2-732 of the Code of Virginia, relating to modification or termination of uneconomic trust; notice.*

**Be it enacted by the General Assembly of Virginia:**

**1. That § 64.2-732 of the Code of Virginia is amended and reenacted as follows:**

**§ 64.2-732. Modification or termination of uneconomic trust.**

A. After notice to the qualified beneficiaries, the trustee of a trust consisting of trust property having a total value less than \$100,000 may terminate the trust *without court approval* if the trustee concludes that the value of the trust property is insufficient to justify the cost of administration. *Notice required by this section shall be sent in accordance with § 64.2-707.*

B. The court may modify or terminate a trust or remove the trustee and appoint a different trustee if it determines that the value of the trust property is insufficient to justify the cost of administration.

C. Upon termination of a trust under this section, the trustee shall distribute the trust property in a manner consistent with the purposes of the trust *and may simultaneously utilize the provisions of § 64.2-779.*

D. This section does not apply to an easement for conservation or preservation.

E. *Expenses incurred by the trustee incident to the termination of a trust pursuant to this section shall be paid by the trust estate.*

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