
SENATE BILL NO. 55—COMMITTEE ON JUDICIARY

PREFILED JANUARY 31, 2003

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing power of settlor and beneficiary of trust to alter certain statutory duties, liabilities, privileges and powers of trustee. (BDR 13-874)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to trusts; revising provisions governing the power of a settlor and beneficiary of a trust to alter certain statutory duties, liabilities, privileges and powers of the trustee; and providing other matters properly relating thereto.

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

1 **Section 1.** NRS 163.160 is hereby amended to read as follows:
2 163.160 1. The settlor of a trust affected by NRS 163.010 to
3 163.200, inclusive, may, by provision in the instrument creating the
4 trust if the trust was created by a writing, or by oral statement to the
5 trustee at the time of the creation of the trust if the trust was created
6 orally, or by an amendment of the trust if the settlor reserved the
7 power to amend the trust, relieve his trustee from any or all of the
8 duties, restrictions and liabilities which would otherwise be imposed
9 upon him by NRS 163.010 to 163.200, inclusive, or alter or deny to
10 his trustee any or all of the privileges and powers conferred upon the
11 trustee by NRS 163.010 to 163.200, inclusive, or add duties,
12 restrictions, liabilities, privileges or powers to those imposed or
13 granted by NRS 163.010 to 163.200, inclusive, but no act of the
14 settlor relieves a trustee from the duties, restrictions and liabilities



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1 imposed upon him by NRS 163.030 ~~[163.040 and 163.050.]~~ and
2 **163.040.**

3 2. Except as otherwise provided in subsections 1 and 3, a
4 trustee may be relieved of liability for breach of trust by provisions
5 of the trust instrument.

6 3. A provision of the trust instrument is not effective to relieve
7 a trustee of liability:

8 (a) For breach of trust committed intentionally, with gross
9 negligence, in bad faith, or with reckless indifference to the interest
10 of a beneficiary; or

11 (b) For any profit that he derives from a breach of trust.

12 **Sec. 2.** NRS 163.170 is hereby amended to read as follows:

13 163.170 A beneficiary of a trust affected by NRS 163.010 to
14 163.200, inclusive, may, if of full legal capacity and acting upon full
15 information, by written instrument delivered to the trustee, relieve
16 the trustee as to that beneficiary from any or all of the duties,
17 restrictions and liabilities which would otherwise be imposed on the
18 trustee by NRS 163.010 to 163.200, inclusive, except as to the
19 duties, restrictions and liabilities imposed by NRS 163.030 ~~[~~
20 ~~163.040 and 163.050.]~~ and **163.040.** The beneficiary may release
21 the trustee from liability to him for past violations of any of the
22 provisions of NRS 163.010 to 163.200, inclusive.

