

**Subject** Transfers to minors; standard or care; other updates

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## Overview

Updates and modifies provisions of the Uniform Transfers to Minors Act.

## Summary

Section	Description
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| 1 | <b>Care of custodial property.</b><br>This section changes the standard of care from the “prudent person” standard to a prudent investor standard consistent with how trusts are managed. This applies to custodians who are managing assets under the Minnesota Uniform Transfers to Minors Act (MUTMA).  |
| 2 | <b>Powers of custodians.</b><br>Allows a custodian under the MUTMA to transfer the property to a trust.  |
| 3 | <b>Transfers upon termination of custodianship.</b><br>Provides that all other custodial property transfers occur when the minor is 21 years of age, consistent with property transfers by gift, will, or trust. This section also provides that if the transfer does not occur with 90 days of the terminating event the minor can petition for the transfer. |
| 4 | <b>Effect on existing custodianship.</b><br>Removes obsolete sections and provides that transfers before the effective date of the bill occur under the existing law. This section is effective the day following final enactment.   |