

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6102

BILL NUMBER: SB 71

NOTE PREPARED: Feb 9, 2026

BILL AMENDED: Feb 9, 2026

SUBJECT: Various Probate Matters.

FIRST AUTHOR: Sen. Carrasco

FIRST SPONSOR: Rep. Jeter

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill has the following provisions:

- A. It establishes the Guardianship Code Revision Task Force (Task Force) to study a recodification of the current guardianship code with any necessary changes. It sets forth the membership, and requires the Task Force to issue a report to the General Assembly and the Governor.
- B. It allows a person indebted to a minor or having possession of property belonging to a minor to pay the debt or deliver the property without a court order in an amount up to \$25,000 and to pay the debt or deliver the property to a custodian under the Indiana Uniform Transfers to Minors Act. It specifies that a court may do the following when issuing a protective order: (1) authorize delivery of property to a custodian under the Indiana Uniform Transfers to Minors Act; and (2) order a trustee, custodian, or other person to file periodic reports concerning certain property transactions of a minor.
- C. It allows a person having the care and custody of a minor with whom the minor resides to petition a court to compromise a claim on behalf of the minor. It requires a court to hold a hearing on certain petitions concerning a proposal to compromise a claim on behalf of a minor and allows a court to appoint a guardian ad litem, an attorney, or other representative to represent the best interest of the minor in the proceeding. It provides that, under the Indiana Uniform Transfers to Minors Act, a trustee or administrator of certain plans may transfer funds due under a plan to the custodian of a minor who is designated as a beneficiary. It allows a custodian to transfer part or all of the minor's custodial property out of the custodial form under the Indiana Uniform Transfers to Minors Act to certain types of trusts or accounts without a court order.
- D. It provides that when a power of appointment in a trust (earlier power) is exercised to create another power of appointment (subsequent power) or another nonvested property interest, then the subsequent power or nonvested property interest created through the exercise of the earlier power is considered to have been created at the time of the creation of the earlier power, unless: (1) the instrument creating the earlier power; or (2) the instrument exercising the earlier power; explicitly provides that the subsequent power or nonvested property interest is considered to have been created

at the time of the irrevocable exercise of the earlier power. It provides that the application is only to a lifetime or inter vivos transfer of property to a trust or similar arrangement under which the spouse of the transferor is granted an earlier power that can be exercised during the spouse's lifetime or upon the spouse's death to create a subsequent limited power of appointment or another nonvested property interest. It provides that the exercise of the earlier power or another nonvested property interest is considered to have been created at the time of the creation of the earlier power by the transferor.

- E. It specifies that language conferring general authority in a power of attorney with respect to personal or family maintenance authorizes an attorney in fact to take certain actions on behalf of the principal for the benefit of the principal and the principal's spouse, children, and other persons customarily supported by the principal. It removes the authorization to employ or contract with servants or companions from the description of health care powers.
- F. It also specifies that certain written agreements executed between an owner of residential real property and a family member, attorney in fact, health care representative, or guardian that provide for an ownership interest in the residential real property are not prohibited residential real estate service agreements.
- G. It repeals the Probate Code Study Committee and requires the Interim Study Committee on Courts and the Judiciary to study and recommend needed changes concerning the probate code, trust code, and other relevant statutes in even-numbered years.

(The introduced version of this bill was prepared by the Probate Code Study Committee.)

Effective Date: July 1, 2026.

Explanation of State Expenditures: (Revised) *Summary* - This bill establishes an eleven-member task force consisting of four legislators, five lay members, and two state employees. The Task Force is set to first meet during the 2026 interim (FY 2027) and the bill sunsets the Task Force on December 31, 2027 (FY 2028). It also repeals the Interim Probate Study Committee, resulting in some cost savings to the State.

Additional Information -

Task Force: The bill is silent on the maximum number of meetings to be held. If legislation is not recommended by November 1, 2026, the bill would require the Task Force to recommend legislation by November 1, 2027. To the extent the November 1, 2026, deadline is met, meeting costs would be minimized.

Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$13,500 per interim for committees with fewer than 15 members and \$17,500 for committees with at least 16 members. Lay members and legislators serving on the task force are entitled to the same per diem, mileage, and travel allowances provided to interim study committees whereas state employees are not entitled to any compensation or reimbursement. Task force expenses are to come from appropriations made to Legislative Council and staff support is to be provided by the Legislative Services Agency.

(Revised) *Repeals Probate Study Committee:* The bill repeals the Probate Study Committee and transfers the committee's statutory responsibilities to the Interim Study Committee on Courts and the Judiciary. As a result, this provision would reduce state expenditures by approximately \$13,500 annually. During the 2025 Interim, fourteen legislators and five lay members were appointed to the Courts and Judiciary Committee, while six legislators and nine lay members were appointed to the Probate Study Committee.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Supreme Court; Indiana General Assembly.

Local Agencies Affected: Trial courts.

Information Sources:

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