

2016 Regular Session

SENATE BILL NO. 194

BY SENATOR PEACOCK

TRUSTS. Provides for an enforceable mediation or arbitration provision in a trust. (8/1/16)

AN ACT

To enact R.S. 9:2236, relative to trusts; to provide relative to mediation or arbitration provisions in a trust instrument; to provide certain terms, procedures, conditions, requirements and effects; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 9:2236 is hereby enacted to read as follows:

§2236. Mediation or arbitration provision enforceable

A. Except as provided in Subsection B, a provision in a trust instrument requiring the mediation or arbitration of disputes between or among one or more of the beneficiaries of a trust, a trustee, or any combination of such persons, shall be enforceable.

B. A provision in a trust instrument requiring the mediation or arbitration of disputes relating to the validity of the trust instrument shall not be enforceable, unless all interested persons with regard to the dispute consent in writing to the mediation or arbitration of the dispute. If the validity of such a trust instrument is upheld, all disputed issues shall be resolved in accordance with the mediation or arbitration provision contained in the trust instrument.

1 **C. Unless otherwise specified in the trust instrument, a provision**
2 **requiring arbitration shall mean arbitration under the Louisiana Arbitration**
3 **Law, and the trust agreement shall be treated as a contract for purposes of**
4 **applying the Louisiana Arbitration Law.**

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Ben Huxen.

DIGEST

SB 194 Original

2016 Regular Session

Peacock

Proposed law generally provides that a provision in a trust instrument requiring the mediation or arbitration of disputes between or among one or more of the beneficiaries of a trust, a trustee, or any combination of such persons, is enforceable.

Proposed law further provides an exception to the general rule by requiring that all interested persons with regard to a dispute relating to the validity of the trust instrument consent in writing to the mediation or arbitration. Proposed law further provides that if the validity of such a trust instrument is upheld, all disputed issues shall be resolved in accordance with the mediation or arbitration provision contained in the trust instrument.

Proposed law provides that the Louisiana Arbitration Law applies to such disputes unless otherwise specified.

Effective August 1, 2016.

(Adds R.S. 9:2236)