



Minnesota Makes Major Changes to Trusts and Estates Laws Effective August 1, 2025

In one of the first major overhauls of the Minnesota Trust Code since it became effective in 2016, Minnesota has made major changes to its trusts and estates laws that go into effect this summer. These key changes are as follows:

- **Time Period for Trusts to Last.** Minnesota has significantly extended the length of time that property interests can be held in trust. The previous rule used by Minnesota was the rule against perpetuities where trusts could last for “lives in being plus 21 years” which roughly translated to 100 years in practice. Now, trusts created August 1, 2025, onward under Minnesota law can last up to 500 years. This allows for significant long-term legacy generational planning for Minnesota families.
- **Terminating Uneconomic Trusts.** At some point, trusts can become too expensive to administer such that the costs of the administration do not justify keeping assets held in trust for the beneficiaries. For example, costs of administration can include filing annual income tax returns, accountant fees, trustee fees, investment fees, legal fees, recordkeeping, and court fees. Previously, the rule was that a trustee could terminate a trust for being too expensive to administer if the value of assets was less than \$50,000. Now, a trustee can terminate a trust for being too expensive to administer if the value of assets is less than \$150,000.
- **Divorce and Estate Plans.** The law was updated to clarify that divorce automatically causes the now ex-spouse and the ex-spouse’s family members that aren’t a person’s family members to be disinherited under the will and trust and removed from roles like personal representative and trustee, unless the will or trust says otherwise. However, it is important to note that people who get

divorced still need to revisit their estate plan and update it to reflect their current wishes to make certain that their ex and their ex's family members are fully excluded from their estate plan.

- **Deadline to Contest Validity of Revocable Trust.** For revocable trusts, a trustee can limit the period a person may challenge the validity of the trust if they properly send notice to the person. From the date the notice is sent, the person has 120 days to contest the trust's validity or they forfeit their right to do so. The trustee must include a copy of the trust instrument, and a notice informing the person of the grantor's death, the trust's existence, the trustee's name and address, and the 120-day period to contest the trust.
- **Disinheriting Estranged Parents.** In general, if a person passes away unmarried without descendants and no will, their parent inherits from them. Now, a parent is barred from inheriting from or through their child if: (1) the parent's rights were terminated and the parent-child relationship was not reestablished by the court; (2) the child died before age 18 and immediately before the child's death the parents parental rights could have been terminated; (3) the child died after age 18 and when the child was a minor the parents' parental rights could have been terminated; or (4) the child died after age 18 and in the year preceding the child's death, the parent and child were estranged by enmity, hostility, or indifference.
- **Methods for Revoking or Amending a Revocable Trust.** Over the years, practitioners have discussed whether a statutory power of attorney on its own is sufficient to allow an agent to amend a trust. The Minnesota Trust Code now confirms that a statutory power of attorney or the trust itself will need to expressly authorize revocation or amendment. Unless there is an express provision authorizing the agent to act in this way, the statutory power of attorney without any added language is not sufficient to allow an agent to amend or revoke a trust.
- **Deadline to Accept Trusteeship.** An appointed trustee who wishes to accept the role as trustee must accept the trusteeship within 120-days of learning that they were appointed as the trustee.
- **Certificate of Trust Amendment or Revocation.** A certificate of trust is a short-hand version of a trust instrument. It explains key information about the trust, including the grantor's name, the trustee's name and address, and the trustee's authority. They are often used when a trust is entering into a real estate, business, or banking transaction. The law was updated to provide that if a certificate of

trust is amended or revoked, such changes are prospective (forward-looking) only and cannot adversely impact prior transactions completed in reliance on a then-valid certificate of trust.

- **Trust Decanting.** Like fine wine, an old trust can be “poured” out and “decanted” (i.e., replaced) into a new trust. The Trust Code was updated to include a better savings provision for defective attempts at decanting a trust and requires the trustee to correct the issue in accordance with their fiduciary duties.
- **Trust Protectors.** A trust protector is a person who may take certain actions to protect the trust. They are not a fiduciary under Minnesota law unless the trust instrument states otherwise. Trust protectors can engage in many actions, including modifying or amending the trust, changing the interests of a beneficiary in the trust, modifying a power of appointment, removing and appointment trustees and directing parties, changing the trust situs, changing the governing law of the trust, appointing successor trust protectors, advising the trustee on beneficiary matters, and providing direction regarding notification of qualified beneficiaries. However, the new law removes the ability of a trust protector to terminate a trust or to veto trust distributions.
- **Directed Trusts.** Some trusts have committees for investments or distributions committees built in to instruct the trustee on how to act with respect to said items. The Minnesota Trust Code confirms that there can be multiple people on the investment and distributions committees. It also defines the roles of a distribution committee member (also called a distribution advisor).

Takeaway

Existing estate plans should be reviewed to ensure compliance with the new laws and to conform the documents to current wishes.

This blog was drafted by [Serena O'Neil](#), an attorney in the Spencer Fane Minneapolis, Minnesota office. For more information, visit www.spencerfane.com.

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