

AN ACT

relating to the exercise of powers of appointment.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 181.001, Property Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Object of the power of appointment" means a person to whom the donee is given the power to appoint.

SECTION 2. Chapter 181, Property Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. EXERCISE OF POWERS OF APPOINTMENT

Sec. 181.081. EXTENT OF POWER. Unless an instrument creating a power expressly provides to the contrary, a donee may exercise a power in any manner consistent with this subchapter.

Sec. 181.082. GENERAL EXERCISE. In exercising a power, a donee may make an appointment:

(1) of present, future, or present and future interests;

(2) with conditions and limitations;

(3) with restraints on alienation;

(4) of interests to a trustee for the benefit of one or more objects of the power; and

(5) that creates any right existing under common law.

Sec. 181.083. CREATING ADDITIONAL POWERS. (a) In exercising a power, a donee may make appointments that create in the objects of

1 the power additional powers of appointment. The additional powers
2 of appointment must be exercisable in favor of objects of the power
3 who would have been permissible objects under the original donee's
4 power.

5 (b) In exercising a power, a donee who may appoint outright
6 to an object of the power may make appointments that create in the
7 object of the power powers exercisable in favor of persons that the
8 original donee may direct, even though the objects of the secondary
9 power of appointment may not have been permissible objects of the
10 original donee's power.

11 SECTION 3. This Act takes effect September 1, 2003, and
12 applies only to a power of appointment exercised on or after that
13 date, without regard to whether the instrument creating that power
14 was made before, on, or after that date.

H.B. No. 1472

President of the Senate

Speaker of the House

I certify that H.B. No. 1472 was passed by the House on March 28, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1472 was passed by the Senate on May 20, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor