

By: Paxton

H.B. No. 3240

A BILL TO BE ENTITLED

AN ACT

relating to qualifying trusts for purposes of residence homesteads.

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

SECTION 1. Section 11.13(j)(3), Tax Code, is amended to read as follows:

(3) "Qualifying trust" means a trust:

(A) in which the agreement or will creating the trust provides that the trustor of the trust or the beneficiary of a court-created trust has the right to use and occupy as the trustor's or beneficiary's principal residence residential property rent free and without charge except for taxes and other costs and expenses specified in the instrument:

(i) for life;

(ii) for the lesser of life or a term of years; or

(iii) until the date the trust is revoked or terminated by an instrument that describes the property with sufficient certainty to identify it and is recorded in the real property records of the county in which the property is located; and

(B) that acquires the property in an instrument of title that:

(i) describes the property with sufficient certainty to identify it and the interest acquired;

(ii) is recorded in the real property

1 records of the county in which the property is located; and

2 (iii) is executed by the trustor, or
3 beneficiary or the personal representative of the trustor or
4 beneficiary.

5 SECTION 2. This Act takes effect September 1, 2005.