

1-1 By: Dutton (Senate Sponsor - Harris) H.B. No. 1646
1-2 (In the Senate - Received from the House May 11, 2007;
1-3 May 15, 2007, read first time and referred to Committee on
1-4 Jurisprudence; May 19, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 May 19, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1646 By: Hinojosa

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the marital property interest in certain employee
1-11 benefits.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (d), Section 3.007, Family Code, is
1-14 amended to read as follows:

1-15 (d) A spouse who is a participant in an employer-provided
1-16 stock option plan or an employer-provided restricted stock plan has
1-17 a separate property interest in the options or restricted stock
1-18 granted to the spouse under the plan as follows:

1-19 (1) if the option or stock was granted to the spouse
1-20 before marriage but required continued employment during marriage
1-21 before the grant could be exercised or the restriction removed, the
1-22 spouse's separate property interest is equal to the fraction of the
1-23 option or restricted stock in which:

1-24 (A) The numerator is the period from the date the
1-25 option or stock was granted until the date of marriage and, if the
1-26 option or stock also required continued employment following the
1-27 date of dissolution of the marriage before the grant could be
1-28 exercised or the restriction removed, the period from the date of
1-29 dissolution of the marriage until the date the grant could be
1-30 exercised or the restriction removed; and

1-31 (B) the denominator is the period from the date
1-32 the option or stock was granted until the date the grant could be
1-33 exercised or the restriction removed; and

1-34 (2) if the option or stock was granted to the spouse
1-35 during the marriage but required continued employment following the
1-36 date of dissolution of the [after] marriage before the grant could
1-37 be exercised or the restriction removed, the spouse's separate
1-38 property interest is equal to the fraction of the option or
1-39 restricted stock in which:

1-40 (A) the numerator is the period from the date of
1-41 dissolution [~~or termination~~] of the marriage until the date the
1-42 grant could be exercised or the restriction removed; and

1-43 (B) the denominator is the period from the date
1-44 the option or stock was granted until the date the grant could be
1-45 exercised or the restriction removed.

1-46 SECTION 2. Subsections (a), (b), and (f), Section 3.007,
1-47 Family Code, are repealed.

1-48 SECTION 3. The change in law made by this Act applies to a
1-49 suit for dissolution of a marriage pending before a trial court on
1-50 or filed on or after the effective date of this Act.

1-51 SECTION 4. This Act takes effect immediately if it receives
1-52 a vote of two-thirds of all the members elected to each house, as
1-53 provided by Section 39, Article III, Texas Constitution. If this
1-54 Act does not receive the vote necessary for immediate effect, this
1-55 Act takes effect September 1, 2007.

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