

## **BILL ANALYSIS**

H.B. 990  
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Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The current statute that provides for the rule against perpetuities is adapted from English feudal law. It is antiquated, hard to interpret by fiduciaries and estate planners, and contrary to the modern estate planning desires of Texans. Life expectancies have increased dramatically, and Texans who wish to provide for future generations are forced to take advantage of estate planning services in a growing number of other states, currently 23, where the rule already has been updated. It is therefore not a matter of *whether* this service is available to Texans, but a matter of *where* they take advantage of the more modern provisions.

H.B. 990 clarifies and enhances the ability of estate planners and fiduciaries by providing a greater definition of terms and benefits Texans by enabling them to understand in plain English their access to estate planning options. The bill encourages Texans to keep property in trusts within the jurisdiction of this state.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 990 amends the Property Code to clarify that the rule against perpetuities applies to an interest in a trust other than a charitable trust, rather than to trusts other than charitable trusts. The bill specifies that, for the purposes of the rule, the effective date of a trust is the date the trust becomes irrevocable. The bill sets out provisions relating to when a trust must vest, if at all, based on whether the effective date of the trust is before September 1, 2009, or on or after September 1, 2009.

### **EFFECTIVE DATE**

September 1, 2009.