

1-1 By: Shapleigh S.B. No. 666
1-2 (In the Senate - Filed February 3, 2009; February 23, 2009,
1-3 read first time and referred to Committee on Jurisprudence;
1-4 April 14, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 14, 2009,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 666 By: Watson

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

1-10 relating to the administration of charitable trusts.
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-12 SECTION 1. Subchapter A, Chapter 113, Property Code, is
1-13 amended by adding Section 113.029 to read as follows:
1-14 Sec. 113.029. RELOCATION OF ADMINISTRATION OR PROPERTY OF
1-15 CHARITABLE TRUST. (a) In this section:
1-16 (1) "Charitable entity" has the meaning assigned by
1-17 Section 123.001.
1-18 (2) "Charitable trust" means a trust:
1-19 (A) the stated purpose of which is to benefit
1-20 only one or more charitable entities; and
1-21 (B) that qualifies as a charitable entity.
1-22 (b) Except as provided by this section or specifically
1-23 authorized by the terms of a trust, the trustee of a charitable
1-24 trust may not change the municipality or county in which:
1-25 (1) the trust is administered; or
1-26 (2) the trust property is situated.
1-27 (c) If the trustee determines that the municipality or
1-28 county in which the trust is administered or the trust property is
1-29 situated must be changed to prevent the charitable purposes of the
1-30 trust from being frustrated, the trustee shall:
1-31 (1) if the settlor is living and not incapacitated:
1-32 (A) consult the settlor concerning the selection
1-33 of a new location for the administration of the trust or the trust
1-34 property; and
1-35 (B) if the settlor approves a new location in
1-36 writing, submit the selection to the attorney general under
1-37 Subsection (d); or
1-38 (2) if the settlor is not living or is incapacitated:
1-39 (A) propose a new location; and
1-40 (B) submit the proposal to the attorney general
1-41 under Subsection (d).
1-42 (d) The trustee shall send notice to the attorney general of
1-43 a new location for the administration of the trust or the trust
1-44 property selected or proposed under Subsection (c). If the settlor
1-45 has not consented to the new location in writing and the attorney
1-46 general determines that the new location does not adequately serve
1-47 the charitable purposes of the trust, not later than the 21st day
1-48 after the date the attorney general receives notice of the
1-49 selection, the attorney general shall request in writing that a
1-50 district court or statutory probate court in the county in which the
1-51 trust was created review the selection. If the court agrees with
1-52 the attorney general's determination, the court shall select the
1-53 location for the administration of the trust or the trust property.
1-54 If the court finds that the attorney general's request for review is
1-55 unreasonable, the administration of the trust or the trust property
1-56 may be relocated as proposed by the trustee, and the court may
1-57 require the attorney general to pay all court costs of the parties
1-58 involved.
1-59 (e) If the trustee and the settlor cannot agree on a
1-60 selection of a new location under Subsection (c), the trustee shall
1-61 send notice of that fact to the attorney general not later than the
1-62 21st day after the date the trustee determines that an agreement
1-63 cannot be reached. The attorney general shall refer the matter to a

2-1 district court or statutory probate court in the county in which the
2-2 trust was created. The trustee and the settlor may each recommend
2-3 to the court a replacement location, and the court shall select the
2-4 replacement location.

2-5 (f) The administration of the trust or the trust property
2-6 may not be relocated to another state under this section unless:

2-7 (1) the settlor consents to the relocation in writing
2-8 under Subsection (c); or

2-9 (2) the charitable purposes of the trust cannot be
2-10 adequately fulfilled unless the administration of the trust or the
2-11 trust property is moved to another state and:

2-12 (A) the attorney general consents to the
2-13 relocation; or

2-14 (B) a district court or statutory probate court
2-15 authorizes the relocation.

2-16 (g) This section does not affect a trustee's authority to
2-17 sell real estate owned by a charitable trust. The proceeds of real
2-18 estate sold by a charitable trust must be situated at the same
2-19 location as other money owned by the trust.

2-20 SECTION 2. Except as otherwise provided by a will, the terms
2-21 of a trust, or this Act, the changes in law made by this Act apply
2-22 to:

2-23 (1) a trust existing or created on or after January 1,
2-24 2010;

2-25 (2) the estate of a decedent who dies before January 1,
2-26 2010, if the probate or administration of the estate is pending on
2-27 or after January 1, 2010; and

2-28 (3) the estate of a decedent who dies on or after
2-29 January 1, 2010.

2-30 SECTION 3. This Act takes effect January 1, 2010.

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