

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 30, 2017

TO: Honorable John T. Smithee, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2842 by Burrows (Relating to the rule against perpetuities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend section 112.036 of the Property Code to clarify the application of the rule against perpetuities to an interest in a trust that is not a charitable trust. It would provide that an interest must vest, if at all, not later than 300 years after the effective date of the trust, if the effective date of the trust is on or after September 1, 2017, or if the instrument itself provides that an interest in the trust vests under the provisions of the statute effective as of the date the interest vests. Otherwise the interest must vest at a time not later than 21 years after some life in being at the time of the creation of the interest, plus a period of gestation.

No significant fiscal impact to the court system is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council

LBB Staff: UP, LBO, SJS