

By: Rodríguez

S.B. No. 309

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the fiduciary status of a directed trust advisor.

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

4 SECTION 1. Section 114.0031, Property Code, is amended by
5 amending Subsection (e) and adding Subsection (e-1) to read as
6 follows:

20 (e-1) Subsection (e) does not prohibit the exercise of a
21 power in a nonfiduciary capacity as required by the Internal
22 Revenue Code for a grantor or other person to be treated as the
23 owner of any portion of the trust for federal income tax purposes.

24 SECTION 2. (a) Except as specifically provided by a trust

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1 term in effect before September 1, 2019, the changes in law made by
2 this Act apply to a trust created before, on, or after September 1,
3 2019, with respect to an action taken or not taken on or after
4 September 1, 2019, by a trustee, custodian, or other person with
5 respect to the trust.

6 (b) An action taken or not taken with respect to a trust
7 before September 1, 2019, is governed by the law that applied to the
8 action taken or not taken immediately before September 1, 2019, and
9 that law is continued in effect for that purpose.

10 SECTION 3. This Act takes effect September 1, 2019.