

CHAPTER NO. 491

HOUSE BILL NO. 1395

By Representative Fowlkes

Substituted for: Senate Bill No. 526

By Senator Fowler

AN ACT to amend Tennessee Code Annotated, Title 30; Title 31; Title 32; Title 34; Title 35 and Title 67, relative to probate, wills, guardians, conservators, trustees and inheritance; estate and gift taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 30-2-101, is amended by adding the following language as subsection (d);

(d) Any action to set aside the property designated in this section shall be brought within the limits set by §31-4-102.

SECTION 2. Tennessee Code Annotated, Section 30-2-102, is amended by adding the following language as subsection (g):

(g) Any action to set aside the property designated in this section shall be brought within the time limits set by §31-4-102.

SECTION 3. Tennessee Code Annotated, Section 30-2-204, is amended by redesignating the language of the existing section as subsection (a) and by adding the following as a new subsection (b):

(b) Any action to set aside the property designated in this section shall be brought within the time limits set by §31-4-102.

SECTION 4. Tennessee Code Annotated, Section 30-2-306(a), is amended by deleting the word "It" at the beginning of the first sentence and substituting the words "Except as provided in subsection (f), it".

SECTION 5. Tennessee Code Annotated, Section 30-2-306, is amended by adding the following language as subsection (f);

(f) The requirement of subsection (a) shall not apply if the Letters Testamentary or of Administration are issued more than one (1) year from the descendant's date of death.

SECTION 6. Tennessee Code Annotated, Section 30-2-702 (b)(1) and (2), are each amended by deleting the words "34-1-107 [repealed]." at the end of section and substituting the words "34-11-104."

SECTION 7. Tennessee Code Annotated, Section 34-11-120, is amended by deleting the word "or" between the words "grandparent" and "sibling" in the first sentence and by substituting instead the punctuation ","; by deleting the "," after the word "minor" the second time it appears in the first sentence and by inserting the words "or person named by the testator to be guardian," following the word "minor" the second time it appears in the first sentence.

SECTION 8. Tennessee Code Annotated, Section 35-7-221(1), is amended by inserting a comma "," after the word "provides" in the third line of the statute and by inserting between the words "and" and "further" in the third line ", if the gift is an inter vivos gift, the instrument".

SECTION 9. Tennessee Code Annotated, Section 35-50-110(23), is amended by adding the words ", investment managers and delegate investment authority to them", between the word "accountants" and the word "or" in the first line of the section.

SECTION 10. Tennessee Code Annotated, Section 35-50-119 is amended by designating the current language as subsection (a) and by adding as a new subsection (b) and (c), the following:

(b) Unless the trustor directs otherwise in a writing delivered to the trustee, the trustee of an irrevocable or non-grantor trust, within sixty (60) days after the acceptance and funding of a trust (excluding nominal funding for the trust to have corpus or the depositing of insurance policies on the life of a living person), shall notify each current income beneficiary and each vested ultimate beneficiary of a remainder interest that the trust has been established. The required notice shall:

(a) be sent by first class mail or personal delivery; and

(b) consist of either a complete copy of the document establishing the trust or an abstract of the trust, whichever the trustee, in the trustee's absolute discretion, may choose.

The abstract shall contain:

(a) the name, address and telephone number of each trustee;
and

(b) if for a current income beneficiary:

(1) the number of other current income beneficiaries;

(2) whether distributions of income are required or discretionary;

(3) whether distributions of principal are permitted and, if so, for what purpose(s);

(4) an estimate of the value of the trust at the date of the notice from which distributions may be made; and

(5) an estimate of the income that may be distributable to the beneficiary;

(c) if for a remainder beneficiary

(1) the number of other remainder beneficiaries;

(2) an estimate of the value of the trust at the date of the notice and

(3) the conditions which must be met before the beneficiary's share is distributable.

Upon the termination of an interest of any one (1) or more of the current income beneficiaries, the trustee shall similarly notify income beneficiaries who are takers of the terminated interest of their interest by sending or delivering them the above-described notice.

(c) The provisions of subsection (a) shall apply to any trust created by any instrument, including a will, executed on or before September 30, 1999. The provisions of subsection (b) shall apply to any trust created by any instrument executed on or after October 1, 1999.

SECTION 11. Tennessee Code Annotated, Section 67-1-107(a)(1), is amended by adding the following words "or any alternative delivery service as authorized by Internal Revenue Code Section 7502" between the word "mail" and the punctuation mark "," in the first line of the subsection.

SECTION 12. Tennessee Code Annotated, Section 30-2-601, is amended by deleting the colon ":" at the end of the first paragraph of subsection (b) and substituting instead the following:

; except that no statement acknowledging receipt shall be required of a distributee who is also the personal representative:

SECTION 13. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 26, 1999


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 17th day of June 1999


DON SUNDQUIST, GOVERNOR