

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 713 - HB 873

February 13, 2013

SUMMARY OF BILL: Expressly includes "Tennessee" in the definition of "State" under the Tennessee Uniform Trust Code (UTC). Requires any purpose enunciated as a material purpose of the trust in the government instrument be treated as a material purpose of the trust for all purposes of UTC. Prohibits a person who becomes a beneficiary of a trust due to the exercise of a power of appointment by someone other than such person from being considered a settlor of the trust. Establishes that if the settlor is not a beneficiary of a trust, the property of the trust shall not be subject to the claims of the settlor's creditors unless certain conditions are apply. Authorizes a trustee to pledge trust property, which is subject to a spendthrift provision, to guarantee loans made by others to the beneficiary. Limits a creditor's claim, against property that is the subject of a qualified disposition to an investment services trust, to cases where clear and convincing evidence of intent to defraud can be shown, and a time limit of the later of two years after the disposition is made, or six months after the transfer was or reasonably could have been discovered.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Financial Institutions, the proposed revisions to the UTC and the Tennessee Investment Services Act will not result in a significant regulatory or fiscal impact to the state.
- Any resulting impact from this bill will be borne by the private sector.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/bos

SB 713 - HB 873