

CHAPTER 1110

S.B. No. 1038

AN ACT

relating to the satisfaction of certain pecuniary bequests, devises, or transfers in trust in a manner fairly representative of appreciation or depreciation of the property of the estate.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Part 8, Chapter 8, Texas Probate Code, as amended, is amended by adding Section 378A to read as follows:

*Sec. 378A. SATISFACTION OF PECUNIARY BEQUESTS. Unless the governing instrument provides otherwise, if an executor, administrator, or trustee is authorized under the will or trust of a decedent to satisfy a pecuniary bequest, devise, or transfer in trust in kind with assets at their value for federal estate tax purposes, in satisfaction of a gift intended to qualify for a United States estate tax marital deduction, the executor, administrator, or trustee, in order to implement the bequest, devise, or transfer, shall distribute assets, including cash, fairly representative of appreciation or depreciation in the value of all property available for distribution in satisfaction of the pecuniary bequest, devise, or transfer.*

SECTION 2. This Act takes effect September 1, 1987, and applies to the estates of persons who die on or after that date. An estate of a person who dies before the effective date of this Act is covered by the law as it existed when the person died, and that law is continued in effect for that purpose.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on April 30, 1987, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 31, 1987, by a viva-voce vote.

Passed the House, with amendment, on May 29, 1987, by a non-record vote.

Approved June 19, 1987.

Effective Sept. 1, 1987.