

BILL ANALYSIS

Senate Research Center
77R2720 KLA-D

S.B. 1640
By: Bernsen
Jurisprudence
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DIGEST AND PURPOSE

Under current Texas law, an individual is not allowed to establish a beneficiary to a mutual fund account so that it will transfer to this beneficiary upon the mutual fund holder's death. As proposed, S.B. 1640 amends the Texas Probate Code by adding mutual funds to the list of accounts with financial institutions that may be transferred to a designated beneficiary upon an account holder's death.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 450(a), Texas Probate Code, to add mutual fund accounts to the list of contracts, gifts, conveyances, and trusts deemed to be nontestamentary, and to provide that this code does not invalidate the instrument or any of certain provisions.

SECTION 2. Provides that the changes in law made by this Act to Section 450(a), Texas Probate Code, applies to a provision for the payment or transfer of a person's interest in a mutual fund account on the person's death, regardless of when the provision was executed or the account was established.

SECTION 3. Effective date: upon passage or September 1, 2001.