

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 542 - HB 675

March 14, 2019

**SUMMARY OF ORIGINAL BILL:** Makes various changes to probate court procedures, governance of trusts, as well as trustees and beneficiaries of trusts. Exempts transfers of real property from a testamentary trust to beneficiaries of the trust from the payment of the state privilege recordation tax.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005328):** Deletes language from the original bill which concerns probate court procedure and persons resigning as trustee of a trust.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The proposed legislation concerns wills and trusts occurring between private parties; therefore, any impact to state and local government is estimated to be not significant.
- The courts will not experience an increase in caseloads; therefore, any impact to the court system is estimated to be not significant.
- Tennessee Code Annotated § 67-4-409 provides that all transfer of realty, whether by deed, court deed, or instrument evidencing transfer of any interest in real estate, there shall be paid a state privilege tax of \$0.37 per \$100.00.
- The proposed legislation would exempt instances where the transfer of real estate is accomplished through deeds executed by the trustee of a testamentary trust or revocable living trust to a trust beneficiary.
- According to the Department of Revenue, because the exemption is applicable only to a very limited type of trust, any fiscal impact to state revenue is estimated to be not significant.

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**CERTIFICATION:**

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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