



State of Tennessee

PUBLIC CHAPTER NO. 887

HOUSE BILL NO. 2052

By Representative Lamberth

Substituted for: Senate Bill No. 2172

By Senator Stevens

AN ACT to amend Tennessee Code Annotated, Title 35, Chapter 6, relative to the Uniform Principal and Income Act.

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

SECTION 1. Tennessee Code Annotated, Section 35-6-108, is amended by deleting subdivisions (k)(1)(A)-(C) and substituting instead the following:

(A) The governing instrument reflects an intention that the current beneficiary or beneficiaries are to receive an amount other than a reasonable current return from the trust, or gives the trustee no discretion to distribute any trust principal to the income beneficiary under any circumstances;

(B) The trust is a pooled income fund described in 26 U.S.C. § 642(c)(5) or a charitable-remainder trust; and

(C) Except for testamentary trusts established prior to July 1, 2010, the governing instrument expressly prohibits use of this section by specific reference to the section or expressly states the trustor's intent that net income not be calculated as a unitrust amount.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

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PASSED: April 19, 2018



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 3rd day of May 2018



BILL HASLAM, GOVERNOR