

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1546

By: Calvey

AS INTRODUCED

An Act relating to homestead and exemptions; amending Section 2, Chapter 509, O.S.L. 2004 (31 O.S. Supp. 2004, Section 11), which relates to the Family Wealth Preservation Trust Act; adding persons to act as trustee under certain conditions; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 2, Chapter 509, O.S.L. 2004 (31 O.S. Supp. 2004, Section 11), is amended to read as follows:

Section 11. As used in the Family Wealth Preservation Trust Act:

1. "Grantor" means an individual establishing or creating a preservation trust;
2. "Oklahoma assets" means:
 - a. a stock, bond, or debenture issued by an Oklahoma-based company,
 - b. a bond or other obligation issued by the State of Oklahoma or an Oklahoma governmental agency,
 - c. a bond or other obligation issued by a county of this state or by a municipal government located in this state,
 - d. an account in an Oklahoma-based bank. As used in this subparagraph, "account" means a demand, time, savings

or passbook type of account or a certificate of deposit type of account, and

e. real property located in the State of Oklahoma;

3. "Oklahoma-based bank" or "Oklahoma-based trust company"

means a bank or a trust company chartered ~~under~~ pursuant to the laws of this state or nationally chartered and having a place of business in Oklahoma, which place of business shall be a physical location;

4. "Oklahoma-based company" means a corporation, limited liability company, limited partnership, or limited liability partnership formed or domesticated in Oklahoma and having its principal place of business in Oklahoma, which principal place of business shall be a physical location;

5. "Preservation trust" means a trust:

a. established by a grantor under Oklahoma law,

b. having at all times as the trustee an Oklahoma-based bank that maintains a trust department, or an Oklahoma-based trust company, or any Oklahoma resident, at least eighteen (18) years of age, without a felony conviction, and that is mentally competent pursuant to state law,

c. naming as beneficiaries only qualified beneficiaries or a qualified beneficiary,

d. having as its corpus solely Oklahoma assets, and

e. reciting in its terms that the income generated from the corpus of the trust is subject to taxation under the income tax laws of the State of Oklahoma; and

6. "Qualified beneficiary" or "qualified beneficiaries" means:

a. the natural children, adopted children if they were under the age of eighteen (18) at the time of the creation of the preservation trust, grandchildren, or issue of deceased natural children or grandchildren of the grantor,

- b. the spouse of the grantor, or
- c. a nonprofit organization qualified under the provisions of the Internal Revenue Code of 1986, 26 U.S.C., Section 501(c)(3).

SECTION 2. This act shall become effective November 1, 2005.

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