



SENATE OF PENNSYLVANIA BILL SUMMARY

Senate Bill 1104 Printer's No. 1498

Prime Sponsor: Senator Greenleaf
Committee: Judiciary

SYNOPSIS:

This bill amends Title 20 (Decedents, Estates and Fiduciaries) to codify the Charitable Instruments Act of 1971 as a new Chapter 79, make additional changes to the Uniform Trust Act, add Chapter 76 regarding powers of appointment, clarify provisions relating to when and how an estate may form a business entity, address the release of powers and interests, clarify when a person submits to the jurisdiction of the orphans' court, and provide a method for determining title to a decedent's interest in real estate.

SUMMARY:

Charitable Instruments Act. Chapter 79 is added to the Probate Code governing the operation of a charitable organization defined as a trust such as a private foundation or a pooled income fund. A conforming amendment is made to section 8113 to change the reference from the 1971 act to Chapter 79.

Uniform Trust Act. Several amendments are made to the Uniform Trust Act, Chapter 77 of the Probate Code, relating to judicial proceedings involving a trust matter, division of trusts with court approval, resignation of a trustee, and the duty to inform and report allowing a current beneficiary to nominate a person to receive required notices on his behalf.

Powers of Appointment. Chapter 76 is added to the Probate Code governing the exercise of powers of appointment -- a power conferred on a donee to select one or more recipients of the donor's estate or income. A broad power of appointment is one that a donee may exercise in favor of one or more persons selected by the donee including the donee himself or the donee's estate. A limited power of appointment includes a power to appoint to the donee's creditors or the creditors of the donee's estate. The current provision relating to powers of appointment, section 2514(13) is repealed because the substance of the provision is codified into section 7602 relating to the exercise of powers of appointment.

Other Amendments. Sections 3314, relating to the continuation of a business, and 3315, relating to the incorporation of an estate's business, are amended to include the recognition of certain business entities other than a corporation, such as a partnership or a limited liability company. The court's order under section 3314 may provide for the compensation of the personal representative actively managing the business.

Section 6103 is repealed and section 6103.1 is added to update and clarify the language relating to the release of an interest in property that had been accepted.

Section 3163 is added to make clear that a person granted letters testamentary or letters of administration shall be deemed to submit to the jurisdiction of the orphans' court of the county in which the register granted the letters.

Section 3546, relating to the determination of title to a decedent's interest in real property, is amended to allow a nonprofit corporation organized for community development purposes to petition the court to establish title to the decedent's real estate. The section is restructured for clarity.

EFFECTIVE DATE:

This bill is effective immediately.

BILL HISTORY:

There is no history for this bill during this legislative session.

Prepared by: Cawley 1/14/2016