AN ACT to amend Tennessee Code Annotated, Title 10,
Chapter 7; Title 35 and Title 66, relative to real
property.

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

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 1, Part 1, is amended by adding the following language as a new section:

(a) All reverter and forfeiture provisions of unlimited duration contained in any deed, will, or other document establishing the common law estates of fee simple determinable, fee simple subject to condition subsequent, and fee simple subject to executory limitation executed more than twenty-five (25) years prior to July 1, 2020, are abolished and unenforceable.

(b)

(1) All reverter and forfeiture provisions contained in any conveyance of real property by deed, will, or other document establishing an interest under the common law estates of fee simple determinable, fee simple subject to condition subsequent, and fee simple subject to executory limitation will terminate and become unenforceable twenty-five (25) years from the date of the conveyance containing the reverter or forfeiture provision.

(2) Notwithstanding subdivision (b)(1), past rights vested in deeds as of July 1, 2020, will be converted to a fee simple absolute at the end of twenty-five (25) years from the date created unless a sworn statement containing the name of the current owner of the property, the estate sought to be preserved, and a description of the property is filed in the register's office of the county in which the

property is located by July 1, 2021, to preserve the right. The sworn statement will extend the reverter provision one (1) time for a period of five (5) years from July 1, 2020, or from the expiration of the twenty-five (25) year period, whichever occurs first, at which time the interest will become a fee simple absolute in the owner of the property.

(c) A reverter or forfeiture provision contained in any deed, will, or other document conveying any interest in real property and purporting to establish the common law estates of fee simple determinable, fee simple subject to condition subsequent, and fee simple subject to executory limitation, executed on or after July 1, 2020, is invalid and unenforceable.

(d) All reversionary estates terminated or prohibited by this section will result in title in the grantee or recipient being fee simple absolute and no action may be maintained to recover any interest or to forfeit any interest upon the termination of the reversionary interest.

SECTION 2. Tennessee Code Annotated, Title 35, Chapter 50, is amended by adding the following language as a new section:

35-15-113. Real Property in Trust.

(a) An estate in real property may be acquired in the name of the trust or in the name of the trustee on behalf of the named trust, and title to real property conveyed by the trust must be conveyed by the trustee, as trustee of the trust.

(b) Subsection (a) applies to documents executed prior to, on, and after July 1, 2020.

(c) This section does not abrogate or amend § 35-15-402(d).

SECTION 3. Tennessee Code Annotated, Section 10-7-201, is amended by designating the existing language as subsection (a) and adding the following language as a new subsection (b):

(b) A suit, decree, judgment, sale, mortgage, transfer, lien, deed, power of attorney, or other record referencing a trust must be indexed in the name of the trust, if

the name is stated in the document, and in the name of each trustee listed in the document.

SECTION 4. Tennessee Code Annotated, Section 35-15-106(a), is amended by deleting the language "of this state" and substituting instead "of this state, including § 35-50-113".

SECTION 5. The heading to Section 2 in this act is for reference purposes only and does not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the heading in any compilation or publication containing this act.

SECTION 6. This act shall take effect July 1, 2020, the public welfare requiring it.