

ASSEMBLY BILL

No. 1520

Introduced by Assembly Member Gatto

January 16, 2014

An act to amend Section 5003 of the Probate Code, relating to nonprobate transfers.

LEGISLATIVE COUNSEL'S DIGEST

AB 1520, as introduced, Gatto. Nonprobate transfers.

Existing law excepts from probate the transfer on death of various property interests. Existing law permits a holder of this type of property to transfer the property in compliance with a provision for a nonprobate transfer on death that satisfies the terms of the instrument, whether or not the transfer is consistent with the beneficial ownership of the property, as specified.

This bill would make nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 5003 of the Probate Code is amended to
2 read:
3 5003. (a) A holder of property under an instrument of a type
4 described in Section 5000 may transfer the property in compliance
5 with a provision for a nonprobate transfer on death that satisfies
6 the terms of the instrument, whether or not the transfer is consistent
7 with the beneficial ownership of the property as between the person
8 who executed the provision for transfer of the property and other

1 persons having an interest in the property or their successors, and
2 whether or not the transfer is consistent with the rights of the person
3 named as beneficiary.

4 (b) Except as provided in this subdivision, ~~no~~ notice or other
5 information shown to have been available to the holder of the
6 property ~~affects~~ *does not affect* the right of the holder to the
7 protection provided by subdivision (a). The protection provided
8 by subdivision (a) does not extend to a transfer made after either
9 of the following events:

10 (1) The holder of the property has been served with a contrary
11 court order.

12 (2) The holder of the property has been served with a written
13 notice of a person claiming an adverse interest in the property.
14 However, this paragraph does not apply to a pension plan to the
15 extent the transfer is a periodic payment pursuant to the plan.

16 (c) The protection provided by this section does not affect the
17 rights of the person who executed the provision for transfer of the
18 property and other persons having an interest in the property or
19 their successors in disputes among themselves concerning the
20 beneficial ownership of the property.

21 (d) The protection provided by this section is not exclusive of
22 any protection provided the holder of the property by any other
23 provision of law.

24 (e) A person shall not serve notice under paragraph (2) of
25 subdivision (b) in bad faith. If the court in an action or proceeding
26 relating to the rights of the parties determines that a person has
27 served notice under paragraph (2) of subdivision (b) in bad faith,
28 the court shall award against the person the cost of the action or
29 proceeding, including a reasonable attorney’s fee, and the damages
30 caused by the service.