

Assembly Bill No. 1779

Passed the Assembly May 31, 2016

Chief Clerk of the Assembly

Passed the Senate August 11, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 21 of Chapter 293 of the Statutes of 2015, relating to nonprobate transfers.

LEGISLATIVE COUNSEL'S DIGEST

AB 1779, Gatto. Nonprobate transfers: revocable transfer on death deed.

Existing law, until January 1, 2021, creates the revocable transfer on death deed (revocable TOD deed), as defined, which allows an owner of real property to transfer that property, upon death, to a beneficiary without a probate proceeding, according to specified rules. Existing law sets forth the statutory forms that must be used by a transferor in the execution of a revocable TOD deed. Existing law requires the California Law Revision Commission to study and make recommendations regarding the revocable TOD deed to the Legislature by January 1, 2020.

This bill would additionally require the California Law Revision Commission to study whether it is feasible and appropriate to expand the revocable TOD deed to include specified transfers, including transfers to a trust.

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

SECTION 1. Section 21 of Chapter 293 of the Statutes of 2015 is amended to read:

SEC. 21. (a) The California Law Revision Commission shall study the effect of California's revocable transfer on death deed set forth in Part 4 (commencing with Section 5600) of Division 5 of the Probate Code and make recommendations in this regard. The commission shall report all of its findings to the Legislature on or before January 1, 2020.

(b) In the study required by subdivision (a), the commission shall address all of the following:

(1) Whether the revocable transfer on death deed is working effectively.

(2) Whether the revocable transfer on death deed should be continued.

(3) Whether the revocable transfer on death deed is subject to misuse or misunderstanding.

(4) What changes should be made to the revocable transfer on death deed or the law associated with the deed to improve its effectiveness and to avoid misuse or misunderstanding.

(5) Whether the revocable transfer on death deed has been used to perpetuate financial abuse on property owners and, if so, how the law associated with the deed should be changed to minimize this abuse.

(6) Whether it is feasible and appropriate to expand the revocable transfer on death deed to include the following:

(A) The transfer of stock cooperatives or other common interest developments.

(B) Transfers to a trust or other legal entity.

(c) (1) The report required by subdivision (a) shall comply with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2024.

Approved _____, 2016

Governor