

D R A F T
FOR DISCUSSION ONLY

Uniform Community Property Disposition at Death Act

Uniform Law Commission

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Clean Draft



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Uniform Community Property Disposition at Death Act

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Uniform Community Property Disposition at Death Act

Prefatory Note

The Uniform Disposition of Community Property Rights at Death Act (UDCPRDA) was approved by the Uniform Law Commission in 1971. The UDCPRDA established a system for non-community property states to address the treatment of community property acquired by spouses before they moved from a community property state to the non-community property state. According to the UDCPRDA, its purpose was “to preserve the rights of each spouse in property which was community property prior to change of domicile, as well as in property substituted therefor where the spouses have not indicated an intention to sever or alter their ‘community’ rights.” Unif. Disp. Comm. Prop. Rights Death Act, Pref. Note, at 3 (1971). As of 2020, sixteen states have enacted the UDCPRDA. Five states enacted the UDCPRDA in the 1970s, shortly after its approval. Or. Rev. Stat. § 112.705; Hawaii Rev. Stat. § 510-21; Colo. Rev. Stat. Ann. § 15-20-101; Ky. Rev. Stat. § 391.210; Mich. Comp. L. Ann. § 557.261. Another eight states enacted the UDCPRDA in the 1980s. N.C. Gen. Stat. § 31C-1; N.Y. Est. Powers & Trusts Law § 6-6.1; Ark. Code. Ann. § 28-12-101; Va. Code § 64.1-197; Alaska Stat. § 13.41.005; Wyo. Stat. § 2-7-720; Conn. Gen. Stat. Ann. § 45a-458; Mont. Code Ann. § 72-9-101. One state enacted it in the 1992, (Fla. Stat. Ann. § 732.21), and two states – Utah and Minnesota – enacted the UDCPRDA in 2012 and 2013, respectively. Utah Code § 75-2b-101; Minn. Stat. § 519A.01.

In its original form, the UDCPRDA offered substantial benefits for citizens in non-community property states that adopted the act, namely the recognition and protection of property rights acquired in a community property state in which citizens were formerly domiciled. Today, this is more important than ever, as Americans are more mobile today than ever before. It is estimated that 7.5 million people moved from one state to another in 2016. *State-to-State Migration Flows: 2016*, available at <https://www.census.gov/data/tables/time-series/demo/geographic-mobility/state-to-state-migration.html>. Undoubtedly, a significant subset of that 7.5 million involves Americans moving from one of the nine community or marital property states to one of the forty-one non-community property states. As Americans migrate, the property previously acquired in a community property state “does not lose its character by virtue of a move to a common law state.” *In re Marriage of Moore & Ferrie*, 18 Cal. Rptr. 2d 543 (Court of Appeal, First District, Division 2, 1993); *In re Kessler*, 203 N.E.2d 221 (Ohio 1964); *Commonwealth v. Terjen*, 90 S.E.2d 801 (Va. 1956). As some commentators have noted, “[O]nce [property] rights are fixed, they cannot be constitutionally changed during the lifetime of the owner merely by moving the personalty across one or more state lines, regardless of whether there is or is not a change of domiciles.” William Q. De Funiak, *Conflict of Laws in the Community Property Field*, 7 ARIZ. L. REV. 50, 51 (1966). The Prefatory Note to the UDCPRDA observes that this is both a matter of policy “and probably a matter of constitutional law.” Unif. Disp. Comm. Prop. Rights Death Act, Pref. Note (1971).

Under traditional conflicts-of-law principles, the result is the same: a move from a community property state to a non-community property one does not change the nature of the property. Sarah N. Welling, *The Uniform Disposition of Community Property at Death Act*, 65 KY. L. J. 541, 545 (1977). The Restatement (Second) of Conflicts counsels that “[a] marital

1 property interest in a chattel, or right embodied in a document, which has been acquired by either
2 or both of the spouses, is not affected by the mere removal of the chattel or document to a second
3 state, whether or not this removal is accompanied by a change of domicile to the other state on
4 the part of one or both of the spouses.” RESTATEMENT (SECOND) OF CONFLICTS OF LAW § 259
5 (1971). Nevertheless, the existing law in non-community property states is often uncertain. The
6 UDCRPDA provided a relatively simple solution that served to clarify an otherwise murky area
7 of law.

8 Since its original promulgation in 1971, however, many changes in the law of marital
9 property and in estate planning practice have occurred. The rise of the popularity of nonprobate
10 transfers and the recognition of same-sex marriage throughout the United State are just some of
11 the significant changes in the law that could not have been foreseen or accounted for in the
12 original UDCPRDA. Consequently, an update of the act is needed to accommodate these
13 changes and others, as well as to reexamine some underlying policy choices made in the original
14 act some fifty year ago.

15 This Uniform Community Property Disposition at Death Act (UCPDDA) revises and
16 updates UDCPRDA. Like its predecessor, the UCPDDA preserves the community property
17 character of property acquired by spouses while domiciled in a community property jurisdiction,
18 even after their move to a non-community property state. Unlike its predecessor, however, the
19 UCPDDA broadens the applicability of the act. The UCPDDA preserves some rights that
20 spouses would have had in the community property jurisdiction for some reimbursement claims
21 and for certain bad faith acts or acts of mismanagement of community property by a spouse,
22 whereas the predecessor UDCPRDA “only define[d] the dispositive rights, at death, of a married
23 person as to his interests at death in property” subject to the act.

24 In addition, it should be clear that the UCPDDA has the potential to benefit a larger
25 number of individuals than the UDCPRDA, insofar as a greater number of states now allow for
26 the creation of community property between spouses than at the time of the UDCPRDA. In
27 addition to spouses in foreign civil law jurisdictions, spouses in Arizona, California, Idaho,
28 Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and now Wisconsin can
29 accumulate community property during marriage. Although Wisconsin classifies such property
30 as “marital property,” rather than “community property,” such a terminological distinction
31 should not serve as a barrier to the application of the UCPDDA to a spouse moving from
32 Wisconsin to a non-community property state. *See, e.g.*, IRS Pub. 555 (treating Wisconsin
33 “marital property” the same as “community property”). Furthermore, registered domestic
34 partners in California, Nevada, and Washington may also now accumulate community property,
35 and the UCPDDA would also apply to those relationships when a registered domestic partner
36 moves to and dies in an adopting state. Finally, spouses in Alaska, Tennessee, Kentucky, and
37 South Dakota may elect by agreement to acquire community property. When such an election is
38 properly made, those spouses may also benefit from the application of the UCPDDA. Although
39 the term “community property” is not defined in either the UDCPRDA or the UCPDDA, it can
40 be broadly and generally explained as property created or acquired during marriage that is owned
41 jointly and concurrently by the spouses from the time of its acquisition. The above jurisdictions
42 all allow for the creation of community property, although others may be added to the list over
43 time.

1 Section 3 sets forth the applicability of the UCPDDA and the property to which it applies,
2 namely, only the community property acquired by spouses while domiciled in a community
3 property jurisdiction, as well as any rents, profits, appreciations, increases, or traceable mutations
4 of that property. Once spouses move to a non-community property state, their newly acquired
5 marital property is governed by the law in that state, unless it is traceable to property that was
6 community property or treated as such.

7 Section 4 makes clear that if the spouses have partitioned or reclassified their community
8 property or waived rights under the act, the UCPDDA no longer applies to that property, as the
9 spouses themselves have ended the community property classification of the property and
10 mutually allocated to each other separate property interests that were previously held as
11 community. It also provides the required form for a partition, reclassification, or waiver, as the
12 laws of a state adopting this act are not likely to provide rules outside of the act for such matters.

13 Section 5 assists courts and the parties in evidentiary matters of proof in applying the
14 UCPDDA. Specifically, even if two spouses are married under a community regime in a
15 community property state, they may still acquire separate property that is owned individually and
16 is not part of their community regime. Traditional “opt out” community property states
17 generally impose a presumption that all property acquired by either spouse during the existence
18 of their community is presumed to be community, unless a spouse can demonstrate to the
19 contrary. Section 5 adopts the same type of rebuttable presumption, such that a party asserting
20 the applicability of the act would need to prove only that the property was acquired while
21 domiciled in a community property jurisdiction under a community property regime. It was
22 thought that any other rule might make proof of application of the act too difficult, given the
23 passage of time, the absence of records, and the fading of memories between the time when the
24 property was originally acquired and the time of death of the decedent. The very same
25 presumption is applicable in an “opt in” community property states, provided it is additionally
26 shown that the spouses opted into the community regime while domiciled in that state.

27 Section 6 is the heart of the act. It provides that upon the death of one spouse, half the
28 property to which the act applies belongs to the decedent and the other half to the surviving
29 spouse. This is the same result that would be achieved at the death of one spouse in a
30 community property jurisdiction.

31 Section 7 is new and has no analogue in the UDCPRDA. It expands the applicability of
32 the act to allow a court to recognize reimbursement rights and rights of redress for certain bad
33 faith actions by one spouse that might impair the rights of the other spouse with respect to
34 property to which the act applies. One such example could be the unauthorized alienation of
35 property to the prejudice of the other spouse. This section allows for a damage or equitable
36 claim to be brought at the death of one spouse by the other or by the spouse’s personal
37 representative, provided a spouse’s interest in property was prejudiced by the actions of the other
38 spouse.

39 Section 8 provides limitations periods within which a party must act to preserve rights
40 under the act. This section recognizes that the periods may differ depending upon whether the
41 party asserting a right is a creditor or a personal representative, heir, devisee, nonprobate

1 transferee, or surviving spouse of the decedent. In addition, the periods may differ depending
2 upon whether the claim is brought in a probate proceeding or in a separate judicial proceeding to
3 perfect title to property.

4 Section 9 protects third persons that have transacted in good faith and for value.
5 Otherwise, third persons could be subject to claims under Section 7 if one spouse had engaged in
6 acts of bad faith management of community property while alive. Section 9 ensures that in most
7 instances, a third person will be protected from these claims.

8 Sections 10 through 14 concern uniform application of the act, electronic signatures,
9 transitional and savings provisions, repeal of inconsistent laws, and the effective date of the act.
10 Notably, Section 12 makes the act applicable – within permissible constitutional limitations – to
11 any judicial proceeding commenced after the effective date of the act, even to those who have
12 moved from a community property jurisdiction and died before enactment of the act.

1 **Uniform Community Property Disposition at Death Act**

2 **Section 1. Title**

3 This [act] may be cited as the Uniform Community Property Disposition at Death Act.

4 **Section 2. Definitions**

5 In this [act]:

6 (1) “Electronic” means relating to technology having electrical, digital, magnetic,
7 wireless, optical, electromagnetic, or similar capabilities.

8 (2) “Jurisdiction” means the United States, a state, a foreign country, or a political
9 subdivision of a foreign country.

10 (3) “Partition” means to voluntarily divide property to which this [act] would
11 otherwise apply.

12 (4) “Person” means an individual, estate, business or nonprofit entity, public
13 corporation, government or governmental subdivision, agency, or instrumentality, or other legal
14 entity.

15 (5) “Personal representative” includes an executor, administrator, successor
16 personal representative, and special administrator, and a person that performs substantially the
17 same function.

18 (6) “Property” means anything that may be the subject of ownership, whether real
19 or personal, legal or equitable, or any interest therein.

20 (7) “Record” means information:

21 (A) inscribed on a tangible medium; or

22 (B) stored in an electronic or other medium and is retrievable in
23 perceivable form.

1 (8) “Reclassify” means to change the characterization or treatment of community
2 property to property owned separately by spouses.

3 (9) “Sign” means, with present intent to authenticate or adopt a record:

4 (A) execute or adopt a tangible symbol; or

5 (B) attach to or logically associate with the record an electronic symbol,
6 sound, or process.

7 (10) “Spouse” means an individual in a marriage or other relationship:

8 (A) under which community property could be acquired during the
9 existence of the relationship; and

10 (B) that is in existence at the time of death of either party to the
11 relationship.

12
13 (11) “State” means a state of the United States, the District of Columbia, Puerto
14 Rico, the United States Virgin Islands, or any territory or insular possession subject to the
15 jurisdiction of the United States. The term includes a federally recognized Indian tribe.

16 **Comment**

17
18 (1) *Electronic*. The term “electronic” is based upon the standard Uniform Law
19 Commission definition.

20
21 (2) *Jurisdiction*. The term “jurisdiction” is included in this act in order to ensure the
22 applicability of this act to individuals who acquired community property in a foreign country.
23 For example, if a couple were married in Cuba, a community property jurisdiction, and acquired
24 stock while domiciled there but sold the stock after moving to Florida, a non-community
25 jurisdiction, the widow of the spouse in whose name the stock was registered would have a one-
26 half interest in the property. *See, e.g., Quintana v. Ordonez*, 195 So. 2d 577 (Dist. Ct. Fla. 3d Cir.
27 1967); *see also Estate of Bach*, 548 N.Y.S.2d 871 (Sur. Ct. 1989) (applying the New York
28 version of the UDCPRDA to a decedent who died in New York in 1987, after having moved
29 with his wife from Boliva in 1957).

30
31 (3) *Partition*. The term “partition” is defined to mean a severance or division by spouses
32 of property that was community property or treated as community property. A partition may

1 occur while the parties are domiciled in a community property state or after they move to a non-
2 community property state. In the latter case, a partition can still occur irrespective of whether the
3 property retains its community property character in the new state or is merely treated as
4 community property for purposes of application of this act.

5
6 (4) *Person*. The definition of “person” is based upon the standard Uniform Law
7 Commission definition.

8
9 (5) *Personal representative*. The definition of “personal representative” is based upon a
10 similar definition in the Uniform Probate Code. *See* Unif. Prob. Code § 1-201(35).

11
12 (6) *Property*. The definition of “property” is based upon a similar definition in the
13 Uniform Trust Code. *See* Unif. Trust Code § 103(12).

14
15 (7) *Record*. The definition of “record” is based upon the standard Uniform Law
16 Commission definition.

17
18 (8) *Reclassify*. The definition of “reclassify” is necessary to recognize that spouses may
19 “transmute” or change the treatment of property from community to separate after they move
20 from a community property jurisdiction to a non-community property jurisdiction. Although
21 community property jurisdictions also have rules in effect for changing separate property to
22 community property, such a change would be outside the scope of this act, which seeks only to
23 maintain the treatment of community property acquired by spouses after moving to a non-
24 community property jurisdiction.

25
26 (9) *Sign*. The definition of “sign” is based upon the standard Uniform Law Commission
27 definition.

28
29 (10) *Spouse*. The term “spouse” is defined expansively to include not only married
30 persons, of either sex, but also partners in other arrangements, such as domestic or registered
31 partnerships, under which community property may be acquired. *See, e.g.*, Cal. Fam Code §
32 297.5 (stating that domestic partners “have the same rights, protections and benefits, and are
33 subject to the same responsibilities, obligations and duties under law, whether derived from
34 statutes, administrative regulations, court rules, government policies, common law, or any other
35 provisions or sources of law, as are granted to and imposed upon spouses”); Nev. Rev. Stat. §
36 122A.200(a) (“Domestic partners have the same rights, protections and benefits, and are subject
37 to the same responsibilities, obligations and duties under law, whether derived from statutes,
38 administrative regulations, court rules, government policies, common law or any other provisions
39 or sources of law, as are granted to and imposed upon spouses.”); Wash. Rev. Code Ann.
40 §297.5(a) (2006) (“Property ... acquired after marriage or after registration of a state registered
41 domestic partnership by either domestic partner or either husband or wife or both, is community
42 property.”). The term may also encompass putative spouses and spouses under common law or
43 informal marriages. The putative spouse doctrine is a remedial doctrine recognized in many
44 states that allows a person in good faith to enjoy community property and other civil effects of
45 marriage, despite not being a party to a legally valid marriage. *See, e.g.*, Unif. Marriage & Div.
46 Act § 209. Although few, if any, community property states recognize common law marriage,

1 Texas does recognize “informal marriages” and thus parties to such an arrangement could also be
2 included in the definition of a “spouse” under this act. *See, e.g.,* Tex. Fam. Code § 2.401.

3
4 (11) *State*. The definition of “state” is based upon the standard Uniform Law Commission
5 definition.

6 7 **Section 3. Included and Excluded Property**

8 (a) Subject to subsection (b), this [act] applies to the following property of a spouse,
9 without regard to how the property is titled or held:

10 (1) if a decedent was domiciled in this state at the time of death:

11 (A) all or a proportionate part of each item of personal property, wherever
12 located, that was community property under the law of the jurisdiction where the decedent or the
13 surviving spouse of the decedent was domiciled when the property was acquired or became
14 community property after acquisition;

15 (B) income, rent, profit, appreciation, or other increase:

16 (i) derived from or traceable to property described in subparagraph

17 (A); or

18 (ii) characterized as community property under the law of the
19 jurisdiction where the decedent or the surviving spouse of the decedent was domiciled when it
20 was earned; and

21 (C) property traceable to property described in subparagraph (A) or (B);

22 and

23 (2) regardless of whether a decedent was domiciled in this state at the time of
24 death:

25 (A) all or a proportionate part of each item of real property located in this
26 state traceable to community property or acquired with community property under the law of the

1 jurisdiction where the decedent or the surviving spouse of the decedent was domiciled when the
2 property was acquired or became community property after acquisition;

3 (B) income, rent, profit, appreciation, or other increase, derived from
4 property described in subparagraph (A).

5 (b) If spouses acquired community property by compliance with the law of a jurisdiction
6 that allows for the creation of community property by the transfer of property to a trust, then the
7 spouses are deemed to have community property under this [act] only to the extent the property
8 is held in the trust or characterized as community property by the terms of the trust or the laws of
9 the jurisdiction under which the trust was created.

10 (c) This [act] does not apply to property that:

11 (1) spouses have partitioned or reclassified; or

12 (2) is the subject of a waiver of rights granted by this [act].

13 **Comment**

14
15 This section makes the act applicable to spouses who were formerly domiciled in a
16 community property jurisdiction. The term “jurisdiction” is used, rather than the narrower term
17 “state,” to be clear that this act would apply to a spouse who was domiciled in foreign
18 jurisdictions where community property may be acquired. Moreover, this act is applicable
19 whenever a spouse was domiciled at any time in the past in a community property jurisdiction,
20 has acquired property there, and has moved to another jurisdiction. Thus, if A and B were
21 married in state X (a community property state) and acquired personal property there, but then
22 moved to state Y (a non-community property state) prior to moving again to state Z (also a non-
23 community property state) where they acquired real property before A eventually died, state Z
24 should apply this act to the property acquired by A and B in state X and state Z.

25
26 Under subsection (a)(1)(A), this act applies to all personal property that was originally
27 classified as a community property by the state at the time at which it was acquired. The current
28 location of the personal property is not relevant for application of this act. Thus, if A and B were
29 married in state X (a community property state), acquired a car there, and eventually moved to
30 state Z (a non-community property state) where A eventually died, then the car would be subject
31 to this act, even if the car was left in storage in state Y.

32
33 Under subsection (a)(1)(B), this act applies to “income, rent, profit, appreciation, or other
34 increase” derived from or traceable to community property under (a)(1)(B)(i) in addition to

1 “income, rent, profit, appreciation, and other increase” from separate property under (a)(1)(B)(ii)
2 in those states where such income is considered community property but not those states where
3 income of separate property is separate. At the same time, subsection (a)(1)(B)(ii) makes this act
4 applicable to “appreciation[] or other increase” in separate property that result from community
5 effort or expenditures of time, toil, or talent of a spouse in community, provided that
6 “appreciation[] or other increase” would be characterized as community property by the relevant
7 community property jurisdiction. *See, e.g., Pereira v. Pereira*, 103 P. 488 (Cal. 1909). This
8 result would not obtain, however, when a couple moves from one of the community property
9 states where such an “appreciation[] or other increase” would not give rise to a community
10 property interest in separate property but would instead give rise to a claim for reimbursement by
11 one spouse against the other. *See, e.g., Jensen v. Jensen*, 665 S.W. 2d 107 (Tex. 1984); La. Civ.
12 Code. art. 2368. Reimbursement claims of this nature are governed by section 7 of this act rather
13 than this section.

14
15 The reference in this section to “income” should be read to include net income, rather
16 than the gross income, from community property, as well as things produced from community
17 property (i.e., “appreciations and other increases”), even if not technically revenue producing.
18 Thus, if a \$500,000 house were purchased completely with community funds and increased in
19 value to \$700,000 after the spouses moved to a non-community property state, then the entire
20 house, not merely \$500,000 in value, is classified as community property. Similarly, crops
21 produced from a community property farm and a foal produced from a horse that is owned as
22 community property are also considered to be community property.

23
24 Subsection (a)(1)(B) applies not only to “income, rent, profit, appreciation, or other
25 increase” from community property produced prior to moving to a non-community property
26 jurisdiction, but also after the move. Indeed, in the former case, such a rule would be
27 unnecessary as all community property states already characterize “income, rent, profit,
28 appreciation, or other increase” derived from community property as community property. The
29 rule in subsection (a)(1)(B)(i), however, is necessary to be clear that even after spouses move to
30 a non-community property state, the “income, rent, profit, appreciation, or other increase”
31 produced by community property acquired prior to the move are still community property after
32 the move to a non-community property state. Thus, interest produced from a community
33 property savings account after A and B move from state X (a community property state) to state
34 Z (a non-community property state) is still treated as community property, irrespective of the
35 location of the account.

36
37 Under subsection (a)(2), this act adopts the traditional situs rule for real estate and is
38 made applicable to all real estate located in a state where this act has been adopted, irrespective
39 of whether the party to whom the act applies is domiciled in the enacting state. Thus, if A and B,
40 while domiciled in a state X (a community property state) acquired real estate with community
41 funds in state Y (a non-community property state), but then move to state Z (also a non-
42 community property state) where A eventually died, then this act will apply to the real estate in
43 state Y, assuming state Y has enacted this act. Whether or not state Z has enacted this act will be
44 important in ascertaining how the personal property of A is distributed, but not in the disposition
45 of the real estate located in state Y.

1 Similarly, if A and B while domiciled in state X (a community property state) acquired
2 real estate with community property in state Y (a non-community property state that has not
3 adopted this act) and in state Z (a non-community property state that has adopted this act) but
4 then moved to state Q (a non-community property state that has not adopted this act) where A
5 eventually died, then the real estate in state Z would be subject to this act, but the real estate in
6 state Y would not be. Nevertheless, under the law of state Y, the former community property
7 rights of the spouses may be subject to a constructive or resulting trust under traditional equity
8 and conflicts of law principles. *See, e.g., Quintana v. Ordonez*, 195 So. 2d 577 (Fla. App. 1967);
9 *Edwards v. Edwards*, 233 P. 477 (Okla. 1924); *Depas v. Mayo*, 11 Mo. 314 (1848)

10
11 Under both subsections (a)(1) and (a)(2), this act applies to “all or a proportionate part”
12 of property that was acquired with community property. In other words, when an asset is
13 acquired partly with community property and partly with separate property, at least some portion
14 of the property should be characterized as community property. The issue of apportionment and
15 commingling, however, is a complex one with many state variations applicable to different types
16 of assets.

17 In some community property states, an “inception of title” theory is used, such that the
18 characterization of the property is dependent upon the characterization of the right at the time of
19 acquisition. For example, a house acquired in a credit sale before marriage would remain
20 separate property under an “inception of title” theory even if the vast majority of the payments
21 were made after marriage and with community funds. In this instance, the community would
22 have a claim for reimbursement for the amount of funds expended for the separate property of
23 the acquiring spouse. Section 7 of this act accommodates reimbursement claims, if such a claim
24 would be appropriate under the law of the relevant jurisdiction. In other jurisdictions, a “pro
25 rata” approach is employed, which provides for a combination of community and separate
26 ownership based in proportion to the payments contributed by either the community or the
27 spouses separately. The act accommodates this approach by not requiring an “all or nothing”
28 classification of community property. Rather, the act is applicable when “all or the proportionate
29 part” of property would be community property according to the law of a jurisdiction in which
30 the spouse was formerly domiciled at the time of acquisition.

31 Even among states that employ a “pro rata” approach, there is considerable variation for
32 how the apportionment is made. As the comments in the UDCPRDA stated, “[a]ttempts at
33 defining the various types of situations which could arise and the varying approaches which
34 could be taken, depending upon the state, suggest that the matter simply be left to court decision
35 as to what portion would, under applicable choice of law rules, be treated as community
36 property.” The UCPDDA follows the same approach. Thus, if A acquires \$100,000 of life
37 insurance, pays five of the monthly \$1000 premiums from funds prior to marriage, pays 10 of the
38 premiums with community property after marrying B, and pays 10 more premiums (before
39 dying) from earnings acquired by B after A and B move to a non-community property state, then
40 some portion of the life insurance policy should be considered community property, if the law of
41 the community property state so treated it. This act leaves to the courts how the determination
42 of the apportionment is to be made.

43 Under subsection (a)(1)(C), this act applies not only to property that was community

1 property under the law of the community property state but also to any property that is traceable
2 to property that was community property or treated as community property. Simply stated,
3 property is “traceable” to community property if the property changes form without changing
4 character. WILLIAM A. REPPY, CYNTHIA A. SAMUEL, AND SALLY BROWN RICHARDSON,
5 COMMUNITY PROPERTY IN THE UNITED STATES 161 (2015) (quoting W. BROCKELBANK, THE
6 COMMUNITY PROPERTY LAW OF IDAHO 134 (1964)). By way of illustration, if after moving from
7 state X (a community property state) to state Z (a non-community property state), A and B
8 transfer money from a community property bank account opened in state X to a bank in their
9 new domicile, state Z, then the bank account in state Z is subject to this act because it is traceable
10 to community property. Similarly, if A and B are married in state X (a community property
11 state), open a bank account there funded solely with community property and buy a car with that
12 money after moving to state Y (a non-community property state), then the car would still be
13 subject to this act because it is traceable to community property. The same result would obtain
14 even if A and B moved again from state Y to state Z (another non-community property state) and
15 exchanged their prior car for a new one in state Z. The new car would still be subject to this act
16 because it is traceable to the community property originally acquired in state X.

17
18 Subsection (b) of this act applies to so-called “opt-in” states where spouses can elect
19 community property by establishing a community property trust. *See, e.g.*, Alaska Stat. §
20 34.77.100; Ky. Rev. Stat. Ann. § 386.20; Tenn. Code Ann. § 17-35-101; S.D. Codified Laws §
21 55-17-3. The intent of this act is not to override the terms of a community property trust but
22 rather to treat as community property only that property held in a community property trust or
23 characterized as community property by the terms of the trust or the relevant state law. Different
24 community property trust provisions and different state laws may offer different rules for what
25 constitutes community property. Alaska law, for example, provides that “appreciation and
26 income of property transferred to a community property trust is community property if declared
27 in the trust to be community property.” Alaska Stat. § 34.77.030(i). Most other community
28 property trust statutes are silent on the treatment of income from community property. Kentucky
29 law, however, provides that “[a]ll property owned by a community property trust shall be
30 considered community property,” but “[w]hen property is distributed from a community property
31 trust, it shall no longer constitute community property.” Ky. Rev. Stat. Ann. § 386.22(7) & (8).
32 The intent of this act is to apply only to the property held in trust or treated as community
33 property by the law of the jurisdiction where the trust was created. Once it is ascertained what is
34 characterized or treated as community property, then this act would apply to that property and to
35 property traceable to it under subsection (a). It is notable, however, that Section 6 of this act
36 generally does not govern the disposition on death of property that has been transferred by
37 “nonprobate transfer instrument,” which would include property transferred on death pursuant to
38 the provisions of a community property trust.

39
40 Subsection (c) of this act makes clear that this act does not apply in cases where spouses
41 have themselves divided former community property by means of a partition or when spouses
42 have changed the classification of their property from separate to community. Similarly, this act
43 does not apply to property that is subject to waiver of rights. Section 4 of this act prescribes the
44 necessary form and procedures for partition, reclassification, or waiver of rights.

45 **Section 4. Form of Partition, Reclassification, or Waiver**

46

Spouses domiciled in this state may:

(1) partition or reclassify property to which this [act] applies only in a record signed by both spouses; or

(2) waive a right granted by this [act] only in compliance with the law of this state, including the law concerning conflicts of laws, applicable to waiver of a spousal property right.

Comment

This section specifies the necessary form or procedure for a partition or reclassification of property or waiver of rights under the act once the spouses have moved to the enacting state. This section requires that both spouses sign a record agreeing to any partition or reclassification. Both the terms “sign” and “record” are defined in Section 2 of this act. In community property jurisdictions, the change or reclassification of property acquired during marriage is known as “transmutation.” As noted by scholars, “[t]he law in many community property states has moved toward requiring married couples to spell out their intentions regarding their property in writing.” CHARLOTTE GOLDBERG, *COMMUNITY PROPERTY* 239 (2014). *See, e.g.*, Cal. Fam Code § 852(a) (“A transmutation of real or personal property is not valid unless made in writing by an express declaration that is made, joined in, consented to, or accepted by the spouse whose interest in the property is adversely affected.”); Idaho Code § 32-917 (“All contracts for marriage settlements must be in writing and executed and acknowledged or proved in like manner as conveyances of land are required to be exercised and acknowledged or proved.”); *Hoskinson v. Hoskinson*, 80 P.3d 1049 (2003).

For a waiver of rights under this act, the parties must comply with the standards for enforceability of a waiver of spousal property rights under the law of this state. *See, e.g.*, Unif. Prob. Code § 2-213. Under the law of many states, a waiver of spousal rights is governed by the Uniform Premarital Agreement Act (1983). More recently, the Uniform Law Commission has promulgated the Uniform Premarital and Marital Agreement Act (2012). Section 9 of that act requires, among other things, that a waiver not be involuntary or executed under duress, that a party have access to independent legal representation, and that a party have had adequate financial disclosure. Unif. Premarital & Marital Agr. Act. § 9.

A mere unilateral act by a spouse of holding property in a form, including a revocable trust, that has paid or has transferred property on death to a third person is not a partition of the property or an agreement waiving rights granted under this [act]. The mere taking of title to property that was previously acquired as community property in the form of a transfer-on-death deed does not operate as a partition, reclassification, or waiver. For example, if after moving from a community property state to a non-community property state, A retitles a community property bank account owned with B into a bank account in A’s name exclusively with a pay-on-death designation to C, the retitling of former community property in the exclusive name of “A,

1 pay-on-death, C” does not constitute a partition. For a partition or reclassification to occur, both
2 spouses must agree to the severance of their community property interests and comply with the
3 necessary form requirements imposed by this section.

4
5 This section does not attempt to specific the requisite form or procedure for a partition
6 prior to moving to the enacting state, which should be governed by the law of the community
7 property state rather than this act. If parties have partitioned or reclassified previously acquired
8 community property after moving to a non-community property state, this act would not apply to
9 any such property owned by the decedent at death. The terms “partition” and “reclassify” are
10 defined in Section 2 of this act.

11 12 **Section 5. Rebuttable Presumptions**

13 All property acquired by a spouse when domiciled in a jurisdiction where community
14 property could then be acquired by the spouse by operation of law and as an incident of a
15 marriage or a similar relationship is presumed to be community property. This presumption may
16 be rebutted by a preponderance of the evidence.

17 **Comment**

18
19 This section applies to so-called “opt out” states that provide for the acquisition of
20 community or marital property by operation of law and as an incident of marriage. Scholars
21 have noted that in the nine “opt out” states, community or marital property is not created by
22 contract, although spouses can “opt out” by contract. Caroline Bermeo Newcombe, *The Origin*
23 *and Civil Law Foundation of the Community Property System, Why California Adopted It and*
24 *Why Community Property Principles Benefit Women*, 11 U. MD. L.J. RACE RELIG. GENDER &
25 CLASS 1 (2011) (One “characteristic of community property systems is that they arise by
26 operation of law.”). This section adopts a blanket presumption in favor of treating all property
27 acquired by a spouse while domiciled in a community property jurisdiction as community
28 property, provided, of course, that the laws of the community property state allowed community
29 property to “then be acquired” by *that* person. In other words, the presumption applies only to
30 those persons who could acquire community property under the laws of the relevant jurisdiction
31 and have complied with the necessary laws to do at the time of acquisition. Consequently, the
32 presumption does not apply to unmarried individuals or to those who have opted out of the
33 community regime even if they acquire property while domiciled in a community property
34 jurisdiction, as those individuals could not then acquire community property in that jurisdiction.

35
36 Although stated in various ways, the blanket presumption of this section is common in
37 community property jurisdictions. *See, e.g.*, N.M. Stat. Ann. § 40-3-12(A) (“Property acquired
38 during marriage by either husband or wife, or both, is presumed to be community property.”);
39 Wisc. Stat. § 766.31(2) (“All property of spouse is presumed to be marital property.”); Tex. Fam.
40 Code § 3.003(a) (“Property possessed by either spouse during or on dissolution of marriage is
41 presumed to be community property”); La. Civ. Code art. 2340 (“Things in the possession of a

1 spouse during the existence of a regime of community of acquets and gains are presumed to be
2 community, but either spouse may prove they are separate property.”); Cal. Fam. Code § 760;
3 Unif. Marital Prop. Act. § 4(a) (“All property of spouses is marital property except that which is
4 classified otherwise by this Act.”); Wisc. Stat. § 766.31(2) (“All property of spouses is presumed
5 to be marital property.”).

6
7 Despite the above presumption, a party may prove that the relevant property was
8 separate, even though acquired during the existence of a community regime, such as by
9 demonstrating that the property was acquired by inheritance. Although different community
10 property states provide different standards for rebutting the relevant presumption of community
11 property, this act adopts a preponderance standard for rebutting the presumption, as have a
12 number of community property states. *See, e.g., Marriage of Ettefagh*, 59 Cal. Rptr. 3rd 419
13 (Cal. App. 2007); *Talbot v. Talbot*, 864 So. 2d 590 (La. 2003); *Brandt v. Brandt*, 427 N.W. 2d
14 126 (Wisc. App. 1988); *Sanchez v. Sanchez*, 748 P.2d 21 (N.M. App. 1987); *But see* Tex. Fam.
15 Code § 3.03(b) (“The degree of proof necessary to establish that property is separate property is
16 clear and convincing evidence.”); *Reed v. Reed*, 44 P.3d 1100 (Idaho 2002) (requiring
17 “reasonable certainty and particularity” to rebut the presumption).

18
19 Unlike the prior version of this act, this act does not impose a presumption against the
20 applicability of this act for property acquired in a non-community property state and held in a
21 form that creates rights of survivorship. *See, e.g., Trenk v. Soheili*, 273 Cal. Rptr. 3d 184 (Ct.
22 App. 2d Cir. 2d Div. 2020) (stating that “the manner in which a married couple holds title to real
23 property is not sufficient in itself to rebut the statutory presumption that is community
24 property”). Taking title to property in various forms is often a unilateral act that should not by
25 itself serve as a presumption of partition of interests in a community asset. After all, a spouse
26 may move to non-community property state and open a bank account with a pay-on-death
27 designation to a friend or a sibling. Such an account should not be presumed to be excluded from
28 this applicability of this act, as the relevant account may have been funded with community
29 property acquired prior to the move. The ultimate treatment of the relevant account will depend
30 upon whether it can be proved that the money in the account was traceable to community
31 property.

32 33 **Section 6. Disposition of Property Rights at Death**

34 (a) Except as otherwise provided in subsection (b), one-half of the property to which this
35 [act] applies belongs to the surviving spouse of a decedent and is not subject to disposition by the
36 decedent at death.

37 (b) If, at death, a decedent purports to dispose of property belonging to the surviving
38 spouse to a third person and disposes of other property to the surviving spouse, the court
39 [may/must] require the surviving spouse to elect either to retain the disposition to the surviving

1 spouse or assert rights under this [act].

2 (c) Subject to subsection (d), one-half of the property to which this [act] applies belongs
3 to the decedent and is subject to disposition by the decedent at death.

4 **Alternative A**

5 (d) The property that belongs to the decedent under subsection (c) is not subject to
6 elective-share rights of the surviving spouse.

7 **Alternative B**

8 (d) For the purpose of calculating the augmented estate and elective-share rights, the
9 property under subsection (a) is deemed to be property of the surviving spouse and property
10 under subsection (c) is deemed to be property of the decedent.

11 **End of Alternatives**

12 (e) [Except for the purpose of calculating the augmented estate and elective-share rights,
13 this] [This] section does not apply to property paid or transferred to the surviving spouse by
14 right of survivorship or under a revocable trust or other nonprobate transfer instrument.

15 (f) This section does not limit the right of a surviving spouse to [a homestead] [an
16 exempt property] [a family] allowance.

17 **Legislative Note:** *A traditional elective-share state should adopt Alternative A and should adopt the*
18 *language beginning with the word “this” in subsection (e). An augmented-estate elective-share state*
19 *whose statute does not adequately address rights in community property should adopt Alternative B and*
20 *should adopt the language beginning with word “except” in subsection (e).*

21
22 **Comment**

23
24 Under subsection (a), at the death of one spouse, one-half the property to which this act
25 applies belongs to the surviving spouse. This is universal approach of community property
26 states. As a result, the decedent cannot dispose of the property belonging to the surviving spouse
27 by will or intestate succession. An attempt to do so would be ineffective.

28
29 If, however, the decedent disposes of property subject to this act by nonprobate transfer
30 in favor of the third person, Section 7, rather than this section, applies. In other words, this act,
31 like the law in community property states, provides that reimbursement or equitable claims may

1 be available to a surviving spouse when a decedent improperly alienates the interest of a spouse
2 by means of a nonprobate transfer. *See, e.g., T.L. James & Co. v. Montgomery*, 332 So. 2d 834
3 (La. 1975).

4
5 Under subsection (b), if the decedent disposes of the surviving spouse's share of property
6 under this act but transfers other property to the surviving spouse, a court may require the
7 surviving spouse to make an equitable election to retain the disposition from the decedent or to
8 assert rights under this act. In the words of one authority, "th[e] doctrine of election is a broad
9 principle of equity, which holds that one who has acquired inconsistent rights from one or more
10 sources, has his choice or election as to which he will take, but he cannot have both." W.S.
11 McCLANAHAN, COMMUNITY PROPERTY IN THE UNITED STATES § 11.6 (1982). In this context,
12 "the principle [of election] requires that one who accepts a benefit conferred by a will[] must
13 accept all the terms of a will so far as they concern him, renouncing any rights which he may
14 have which are inconsistent with the will; or if he elects to stand on his rights which are
15 inconsistent with the will; or if he elects to stand on his rights which are inconsistent with those
16 under the will, he thereby renounces his rights conferred by the will." *Id. See also* J. THOMAS
17 OLDHAM, TEXAS MARITAL PROPERTY RIGHTS 481 (5th ed. 2011) ("If a spouse attempts to devise
18 more than one-half of any item of community property, and the other spouse is devised
19 something under the will, the spouse is put to an 'election' whether to take the benefits under the
20 will (and to permit the devise of more than 50% of the item of community property), or whether
21 to reject the benefit under the will and take 50% of each item of community property.").

22
23 Under subsection (c), at the death of one spouse, one-half the property to which this act
24 applies belongs to the decedent. Again, this is universal approach of community property states.
25 As a result, the decedent can dispose of that property by any probate or nonprobate mechanism.
26 Elective share rights that are common in non-community property states do not apply in
27 community property states, at least not with respect to community property in those states. With
28 respect to elective shares rights, however, there is great variation among non-community
29 property states. In some states, a surviving spouses elective share rights are a fractional share
30 (often 1/3) in the decedent's property. In such a case, states should elect Alternative A, which
31 precludes further application of elective share rights in the decedent's property under this act.
32 Other states, however, grant elective share rights in some in an "augmented estate," which is
33 frequently composed of all the decedent's property, all the decedent's nonprobate transfers, and
34 all the surviving spouse's property and nonprobate transfers to others. In those states,
35 Alternative B should be elected so that the both the property of the decedent and the surviving
36 spouse are considered part of the augmented estate, but then the surviving spouse's portion of the
37 property is credited in satisfaction of his or her elective share rights. *See, e.g., Unif. Prob. Code*
38 *§ 2-209(a)(2)*.

39
40 If the decedent dies intestate, then one-half of the property covered by this act is included
41 in the decedent's intestate estate. Under many scenarios, the intestate law of most states would
42 grant to the surviving spouse a lump sum plus at least one half of the remainder of the decedent's
43 property, which would be in addition to the one-half interest granted to the surviving spouse in
44 property to which this act applies.

45
46 By way of illustration of this section, assume A and B were formerly domiciled in state X

(a community property jurisdiction) where all their property was community property and have subsequently moved to a state Y (a non-community property state that has adopted this act). Upon moving to state Y, A and B acquired a home in state Y, titled solely in B's name but with funds from the proceeds of the sale of the home in state X. A and B also acquired stock while domiciled in state X, but held it in safety deposit boxes located in states U and V (two other non-community property states). A and B also retained a summer house in state X, which they acquired while domiciled there and which was titled solely in B's name. A and B also acquired real property in state Z (a non-community property state that has not adopted this act) for investment purposes. Finally, B acquired bonds held in B's name issued by the company that employed B and acquired with earnings from B's job in state Y.

At B's death, the home in state Y and the stock located in states U and V would be property subject this act, and consequently, B would have the right under this section to dispose of half. The home retained in state X would be community property under the law of state X, but this act applies only to real property located in the adopting state. The investment property located in state Z would not be subject to this act because state Z has not adopted the act. Finally, the bonds held in B's name would not be subject to this act because they were acquired with property earned and acquired in state Y, a non-community property state.

As this section provides that property subject to this act is partly owned by the surviving spouse of the decedent at the death of the decedent, subsection (e) provides property held with rights of survivorship or in transfer-on-death forms are excluded from this section when the property is paid or transferred to the surviving spouse. Section 7 of this act, however, may still be applicable if less than a one-half interest in the property has been transferred to the surviving spouse at death.

Subsection (d) provides two alternatives. In states that grant a surviving spouse an elective share only in the probate estate, this section excludes elective share rights in property subject to this act, as the surviving spouse is already provided a one-half interest in the relevant property. In states that have adopted an augmented-estate approach to the elective share, this subsection makes clear that for purposes of calculating the augmented estate, one-half of the property assigned to the decedent is treated as the decedent's property and the other one-half is treated as the property of the surviving spouse.

Subsection (e) provides that, with one exception, this section does not apply to any property transferred to a surviving spouse by means of a nonprobate transfer or a right of survivorship designation. After all, if the property is transferred to a surviving spouse by the decedent then the surviving spouse should not have further rights to that property or claims against the decedent's estate by virtue of the transfer. The one exception is for purposes of ascertaining elective-share rights in those states that have adopted an augmented-estate approach to the elective share.

Subsection (f) makes clear that this act does not limit a surviving spouse's claim for other statutory allowances, such as homestead allowances, allowances for exempt property, and family allowances. *See, e.g.*, Unif. Prob. Code §§ 2-402, 2-403, and 2-404.

Section 7. Other Remedies Available at Death

(a) At the death of an individual, the surviving spouse or a personal representative, heir, or nonprobate transferee of the decedent may assert a right based on an act of:

(1) the surviving spouse or decedent during the marriage; or

(2) the decedent that takes effect at the death of the decedent.

(b) In determining the rights available under subsection (a) and the corresponding remedies, a court:

(1) shall apply equitable principles; and

(2) may consider the community property law of the jurisdiction where the decedent or the surviving spouse was domiciled when the property was acquired or enhanced.

Comment

Subsection (a) confirms that comparable rights that would be available to protect a spouse in a community property jurisdiction remain available at death in a non-community property state under this act. Two rights often provided by community property jurisdictions are rights of reimbursement and rights associated with monetary claims against a spouse for marital waste, fraud, or bad faith management. These rights should be available to a spouse without regard to whether the act of the other spouse giving rise to the claim occurred in the community property jurisdiction, prior to a move, or in the non-community property jurisdiction, after a move. Furthermore, nonprobate transfers of community property to a third person without the consent of the surviving spouse may give rise to claims by the surviving spouse under this section.

Claims for reimbursement are commonly available when community property has been used to satisfy a separate obligation or when separate property has been used to improve community property or vice versa, *see, e.g.*, La. Civ. Code art. 2364, 2366, and 2367; Cal. Fam. Code § 2640. Different community property states calculate the amount of reimbursement differently. *See, e.g., Hiatt v. Hiatt*, 487 P.2d 1121 (Idaho 1971) (awarding reimbursement based upon the enhanced value of the property even if it exceeds the amount spent); *Portillo v. Shappie*, 636 P.2d 878 (N.M. 1981) (assessing reimbursement based upon the enhanced value of the improved property even if it exceeds the amount of money expended); La. Civ. Code art. 2366 (providing for reimbursement based upon the amount expended); *Marriage of Sedlock*, 849 P.2d 1243 (Wash. App. 1993) (awarding reimbursement based upon the amount spent); *Estate of Kobyliski v. Hellstern*, 503 N.W.2d 369 (Wis. App. 1993) (assessing reimbursement based upon the greater of the amount spent or the value added). This section grants courts flexibility in assessing the amount of the reimbursement.

1 The rights granted by this section are operable at the death of an individual and may not
2 be asserted during the existence of the marriage. This approach is consistent with the law of
3 various community property jurisdictions. *See, e.g.*, La. Civ. Code art. 2358 (“A claim for
4 reimbursement may be asserted only after termination of the community property regime, unless
5 otherwise provided by law.”). *But see* Uniform Marital Property Act § 13 (allowing claims for
6 breach of the duty of good faith and for an accounting to be brought by spouses during an
7 ongoing marriage). The relief sought under this section may, however, be for actions of a spouse
8 taken either during life or that take effect at death. For instance, during life, a spouse may use
9 community funds to augment a separate property asset. Moreover, a spouse during the marriage
10 may have inappropriately donated property to a third person. Similarly, at the death of the
11 decedent, the decedent may have inappropriately transferred property belonging to the surviving
12 spouse to a third person by nonprobate transfer. Although community property states generally
13 enforce such transfers, they correspondingly grant a right to claim damages, to recover the
14 property, or to reimburse the surviving spouse. Again, this section grants a court broad authority
15 to craft legal or equitable remedies to protect a spouse. Of course, the application of this section
16 must yield when appropriate to federal law. *See, e.g.*, Employment Retirement Security Act, 29
17 U.S.C. Section 1001 et seq.; *Boggs v. Boggs*, 520 U.S. 833 (1997) (holding that ERISA pre-
18 empted state community property law and remedies, even though the relevant ERISA-governed
19 retirement plan was funded with community property).

20
21 Subsection (b) provides that a court in evaluating a claim under subsection (a) should
22 apply “equitable principles” to craft rights and remedies and “may consider” the law of the
23 community property jurisdiction where the decedent or the surviving spouse was formerly
24 domiciled at the time the property was acquired or enhanced in deciding what rights to recognize
25 and what remedies to provide to a spouse under this act. A court, however, is not limited by this
26 section to proceed only in the manner or exactly as the court in a community property
27 jurisdiction would proceed. Often ascertaining the existence and scope of a right that could have
28 been asserted in a community property jurisdiction is an exceedingly difficult task and could
29 involve difficult investigations of the law of different states or foreign jurisdictions from years or
30 even decades in the past. Such laws might not be readily available to or ascertainable by a court
31 in this state, given barriers in publication and language. Thus, subsection (b) is intended to
32 provide flexibility to a court to consider the laws of the community property jurisdiction but not
33 necessarily proceed as a court would in that jurisdiction.

34
35 Similarly, in ascertaining the remedies associated with the right under this section, a court
36 should look to but not be bound by the law of the community property jurisdictions. Even
37 among community property jurisdictions, the remedies associated with various rights often vary
38 significantly when one spouse’s interest has been unduly impaired by another spouse with
39 authority to manage or alienate community property. Although most instances of application of
40 this section will involve monetary claims against by one spouse against another, this section does
41 not limit a court’s power to great other equitable relief, which may involve recognition of rights
42 against third persons to whom property has been transferred by one spouse without authorization
43 of the other.

44
45 Equitable doctrines, such as a “constructive trust,” are common remedies used by courts
46 to protect the interest of a spouse. In California, for example, a court may award a defrauded

1 spouse a percentage interest or an amount equal to a percentage interest in any asset transferred
2 in breach of a spouse's fiduciary duty. Cal. Fam. Code § 1101. In Texas, the doctrine of "fraud
3 on the community" protects one spouse when the other wrongfully depletes community property
4 through actual or constructive fraud by allowing a court to allocate other property to the
5 defrauded spouse through any legal or equitable remedy necessary, including a money judgment
6 or a constructive trust. *See, e.g.,* Tex. Fam. Code § 7.009; *see also Osuna v. Quintana*, 993
7 S.W.2d 201 (Tex. Ct. App. Corpus Christi 1999) ("The breach of a legal or equitable duty which
8 violates the fiduciary relationship existing between spouses is termed 'fraud on the community,'
9 a judicially created concept based on the theory of constructive fraud."). In Louisiana, a spouse
10 may be awarded damages when the other spouse acted fraudulently or in bad faith. *See* La. Civ.
11 Code art. 2354 ("A spouse is liable for any loss or damage caused by fraud or bad faith in the
12 management of the community property."). In addition to damages and equitable relief, some
13 community property states statutorily grant courts authority to add the name of a spouse to a
14 community asset titled solely in the name of the other spouse in order to protect the interest of
15 the previously unnamed spouse. *See, e.g.,* Cal. Fam. Code § 1101 (c); Wisc. Stat. § 766.70(3).
16 This section provides the court with broad authority to grant damages or to craft any other
17 appropriate equitable remedy necessary to protect a spouse. Available legal and equitable
18 remedies available in courts of this state may not be co-extensive with the legal and equitable
19 remedies available in the relevant community property jurisdiction.

20
21 Because the grant of authority to courts under subsection (b)(2) is a discretionary one, a
22 higher court should review a trial court's application of this section only under an "abuse of
23 discretion" standard.

24
25 This section must be read in conjunction with Section 9 of this act, which protects good
26 faith transferees of property who give value. Thus, good faith transferees for value will be
27 protected by Section 9 of this act, such that a spouse's claim for bad faith management would
28 solely be cognizable against the other spouse. If, however, one spouse improperly donates or
29 transfers property to which this act applies to a third person who is not in good faith, equitable
30 relief against a third person may, in the discretion of the court, be available to the spouse whose
31 rights are impaired. After all, improper gifts of community property by one spouse are generally
32 voidable as against a third person in community property jurisdictions. *See, e.g., Polk v. Polk*, 39
33 Cal. Rptr. 824 (App. 1964); Wisc. Stat. § 766.70; La. Civ. Code art. 2353; *Mezey v. Fioramonti*,
34 65 P.2d 980 (Ariz. App. 2003); Uniform Marital Property Act § 6(b).

35 36 **Section 8. Right of Surviving Spouse, Heir, Beneficiary, or Creditor**

37 (a) With respect to property to which this [act] applies, the surviving spouse of the
38 decedent may assert a claim for relief under the following rules:

39 (1) In a probate proceeding, a surviving spouse must send a demand in a record to
40 the personal representative of the decedent not later than [six months] after the appointment of
41 the personal representative, and, in the absence of such a claim, the personal representative is not

1 liable for failing to apply this [act].

2 (2) In the absence of a probate proceeding, a surviving spouse must commence an
3 action against the heirs, devisees, or nonprobate transferees of the decedent not later than [three
4 years] after the death of the decedent.

5 (3) In an action to perfect title to property or to assert a right to a nonprobate
6 asset, a surviving spouse must commence an action against the heirs, devisees, or nonprobate
7 transferees of the decedent not later than [three years] after the death of the decedent.

8 (b) With respect to property to which this [act] applies, an heir, devisee, or nonprobate
9 transferee of the decedent may assert a claim for relief under the following rules:

10 (1) In a probate proceeding, an heir, devisee, or nonprobate transferee of the
11 decedent must send a demand in a record to the personal representative of the decedent not later
12 than [six months] after appointment of the personal representative.

13 (2) In the absence of a probate proceeding, an heir, devisee, or nonprobate
14 transferee of the decedent must commence an action against the surviving spouse of the decedent
15 not later than [three years] after the death of the decedent.

16 (3) In an action to assert a right to a nonprobate asset, an heir, devisee, or
17 nonprobate transferee of the decedent must commence an action against the surviving spouse of
18 the decedent not later than [three years] after the death of the decedent.

19 (c) With respect to property to which this [act] applies, the personal representative of the
20 decedent may commence an action to perfect title to property or an action against the surviving
21 spouse of the decedent asserting a right to a nonprobate asset not later than [three years] after the
22 death of the decedent.

23 [(d) With respect to property to which this [act] applies, a creditor of the decedent may

1 assert a claim within the earlier of:

2 (1) [one year] after the decedent's death;

3 (2) if notice is by publication, within [four months] after the date of first
4 publication of notice of appointment of the personal representative; or

5 (3) if actual notice is given, not later than:

6 (A) [60 days] after the mailing or other delivery of notice to the creditor to
7 present the claim; or

8 (B) [four months] after published notice.]

9 **Legislative Note:** *A state should insert in subsections (a)(1) and (b)(1) the relevant time for*
10 *asserting a claim in a probate proceeding and in subsections (a)(2) and (3), (b)(2) and (3), and*
11 *(c) the relevant time for asserting a claim to a nonprobate asset or for probating a will or*
12 *challenging a revocable trust.*

13
14 *In subsection (d), a state should insert or reference its existing non-claim statute*
15 *governing the time for asserting a creditor's claim.*

16 17 **Comment**

18 The time periods provided in this section are generally borrowed from other areas of law.
19 Specifically, a six-month period is not an uncommon period for a non-claim statute for creditors,
20 and the three-year period is adapted from claims challenging revocable trusts and for contesting
21 nonprobated wills. See Unif. Trust Code § 604; Unif. Prob. Code § 3-108. This section fills a
22 gap that existed in the UDCPRDA, which did not provide for specific statute of limitations
23 periods for bringing claims under the act. Thus, courts were left to speculate as to what time
24 periods applied. See, e.g., *Johnson v. Townsend*, 259 So. 3d 851 (Fla. 4th D. Ct. App. 2018)
25 (holding that in the absence of a specific statute of limitations in the Florida version of the
26 UDCPRDA, the general statute of limitation for asserting a claim or cause of action against the
27 decedent).

28
29 Subsection (a) of this section allows a surviving spouse to protect rights under this act
30 and provides a statute of limitation for doing so. It provides time frames for a surviving spouse
31 asserting a right under this act either in a probate proceeding (see (a)(1)) or outside the probate
32 process in the case of an action to perfect title to property, in the case of nonprobate assets, or in
33 the case no probate proceedings occur (see (a)(2)). Unless the surviving spouse acts within the
34 relevant period of time in a probate proceeding, the personal representative has no fiduciary duty
35 to investigate or to attempt to ascertain whether this act applies to any property owned by the
36 decedent. Because a surviving spouse may have various types of property rights or creditor
37 claims under this act, the time periods for bringing those claims may differ according to the

1 nature of the claim. Under Section 6 of this act, a surviving spouse may have a property interest
2 in an asset transferred to a third person. To protect such a right, the surviving spouse may, but is
3 not required to, bring a claim asserting a property right under this act in a probate proceeding
4 under subsection (a)(1). Subsection (a)(3), however, also allows the surviving spouse to assert a
5 claim to perfect title to property directly against the holder of the property. For example, if after
6 the death of B, B's spouse, A, asserts a claim to personal property subject to this act that has
7 been given by B in a will to C, then A, whose claim is an action to perfect title to property, may
8 assert that claim in the probate proceeding under subsection (a)(1) or directly against C under
9 subsection (a)(3). On the other hand, if A's claim is one for reimbursement of community funds
10 under Section 7, then A's claim is a claim as a creditor and not one for perfection of title to
11 property. As a result, A would have to assert the claim under subsection (a)(1).

12
13 Subsection (b) allows an heir, devisee, or nonprobate transferee of the decedent to protect
14 rights under this act and provides a statute of limitation for doing so. It provides time frames for
15 asserting a right under this act either in a probate proceeding (see (b)(1)) or outside the probate
16 process in the case of an action to perfect title to property, in the case of nonprobate assets, or in
17 the case no probate proceedings occur (see (b)(2)). Unlike in subsection (a), the personal
18 representative of the decedent has an obligation to attempt to ascertain whether the decedent has
19 property rights that should be protected under this act, even if no claim is asserted under
20 subsection (b) by an heir, devisee, or nonprobate transferee. *See, e.g.*, Unif. Prob. Code §§ 3-703
21 (general duties) & 3-706 (duty to prepare an inventory). Like subsection (a), an heir, devisee, or
22 nonprobate transferee may, but is not required to, bring a claim asserting a property right under
23 this act in the probate proceeding under subsection (b)(1). Subsection (b)(3) allows the heir,
24 devisee, or nonprobate transferee, however, to assert such a claim directly against the holder of
25 the property.

26
27 Subsection (c) allows personal representative of the decedent to protect rights under this
28 act and provides a statute of limitation for doing so. It provides a time frame for a personal
29 representative of the decedent to recover nonprobate property or perfect title in probate property
30 after being notified by heirs or devisees that probate property is held by the surviving spouse.

31
32 Subsection (d) provides a time frame for creditors of the decedent to bring claims. It is
33 based upon Section 3-803 of the Uniform Probate Code, regarding the time frames for creditors
34 asserting claims in probate proceedings.

35 36 **Section 9. Protection of Third Person**

37 (a) With respect to property to which this [act] applies, a person is not liable under this
38 act to the extent the person:

39 (1) transacts in good faith and for value:

40 (A) with a spouse; or

41 (B) after the death of the decedent, with a surviving spouse, personal

1 representative, heir, or beneficiary; and

2 (2) does not know that the other party to the transaction is exceeding or
3 improperly exercising the party's authority.

4 (b) Good faith under subsection (a) does not require a person to inquire into the extent or
5 propriety of the exercise of authority by the other party to the transaction.

6 **Comment**

7
8 This section is based upon Section 1012 of the Uniform Trust Code. Like the Uniform
9 Trust Code, this section does not define "good faith." It does, however, require that a third
10 person be without knowledge that the other party to the transaction is acting without authority
11 with respect to property to which this act applies. For a definition of knowledge, see Unif. Trust
12 Code § 104. Moreover, this section makes clear that a person dealing with another party is not
13 charged with a duty to inquire as to the extent or the propriety of the exercise of the purported
14 power or authority of that party. This section, like the Uniform Trust Code, acknowledges that a
15 definition of good faith that is consistent with a state's commercial statutes, such as Section 1-
16 201 of the Uniform Commercial Code, would be consistent with the purpose of this section.
17 This section should be read in conjunction with Section 7 of this act, which provides that courts
18 retain the ability at the death of one spouse to grant equitable relief to the other for actions that
19 have impaired rights granted by this act.

20
21 This section protects third persons in two different situations. First, during life, both
22 spouses may engage in a variety of transactions with third parties concerning the property to
23 which this act applies. This section protects third persons who deal with either spouse
24 concerning property to which this act applies, provided the third person gives value, is in good
25 faith, and does not have knowledge that the spouse who is a party to the transaction is improperly
26 exercising authority over property. Although third persons in community property jurisdictions
27 are ordinarily allowed to deal with a spouse who has apparent title concerning a marital asset
28 during the existence of the marriage, no good reason could be found for protecting bad faith third
29 parties with knowledge of the commission of fraud on the rights of the other spouse. For
30 example, if A retitles community property belonging partly to B solely in A's name and sells it to
31 C, C is protected from any claim by A with respect to the property provided C gave value, is in
32 good faith, and does not know that A improperly transferred property belonging to B. To the
33 extent B has a cognizable claim under Section 7 of this act, it will be solely against A, not C. On
34 the other hand, if A donated a community asset to C, C would not be protected by this section,
35 and B's claim under Section 7 of this act could be cognizable against A or C or both.

36
37 Second, this section also applies after the death of a decedent. Section 8 of this act
38 provides relevant time periods within which a surviving spouse may assert rights against a
39 personal representative of the decedent, as well as heirs or transferees of the decedent. Similarly,
40 it also provides relevant time periods within which the heirs, beneficiaries, or creditors of the
41 decedent may assert rights against the surviving spouse or the personal representative of the

1 decedent. This section protects third persons who transact with those relevant parties in
2 possession of apparent title to property, provided the third person gives value, is in good faith,
3 and is without knowledge that the other party to the transaction is improperly exercising
4 authority. For example, if after A's death, A's surviving spouse, B, sells Blackacre, which is
5 titled solely in B's name, to C, C will be protected from liability under this section, even if
6 Blackacre was subject to this act because it was traceable to community property, provided, of
7 course, C was in good faith and without knowledge that B was exceeding his authority.

8 9 **Section 10. Uniformity of Application and Construction**

10 In applying and construing this uniform act, a court shall consider the promotion of
11 uniformity of the law among jurisdictions that enact it.

12 **Section 11. Relation to Electronic Signatures in Global and National Commerce Act**

13 This [act] modifies, limits, and supersedes the Electronic Signatures in Global and
14 National Commerce Act, 15 U.S.C. Section 7001, et seq.[, as amended], but does not modify,
15 limit, or supersede 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the
16 notices described in 15 U.S.C. Section 7003(b).

17 ***Legislative Note:*** *It is the intent of this act to incorporate future amendments to the cited federal*
18 *law. A state in which the constitution or other law does not permit incorporation of future*
19 *amendments when a federal statute is incorporated into state law should omit the phrase “, as*
20 *amended”. A state in which, in the absence of a legislative declaration, future amendments are*
21 *incorporated into state law also should omit the phrase.*

22 23 **Section 12. Saving Provision, Transitional Provision**

24 (a) Except as otherwise provided in subsection (b), this [act] applies to all judicial
25 proceedings with respect to property to which this [act] applies commenced on or after [the
26 effective date] regardless of the date of the death of the decedent.

27 (b) If a right with respect to property to which this [act] applies is acquired, extinguished,
28 or barred on the expiration of a limit that began to run under another statute before [the effective
29 date of this [act]], that statute continues to apply to the right even if it has been repealed or
30 superseded.

1 **Comment**

2 This act is intended to have the widest possible effect within constitutional limitations.
3 Specifically, this act applies to the property of a decedent who dies before the enactment of this
4 act, unless a court determines otherwise under the provisions of this section. This act cannot be
5 fully retroactive, however. Constitutional limitations preclude retroactive application of rules of
6 construction to alter vested property rights. Also, rights already barred by a statute of limitation
7 or rule under former law are not revived by a possibly longer statute or more liberal rule under
8 this act. Nor is an act done before the effective date of this act affected by the act's enactment.
9

10 The amendment to this section is generally based upon Section 8-101 of the Uniform
11 Probate Code and Section 1106 of the Uniform Trust Code.
12

13 **[Section 13. Repeal**

14 The [Uniform Disposition of Community Property Rights at Death Act] is repealed.]

15 ***Legislative Note:*** *A state should repeal its existing Uniform Disposition of Community Property*
16 *Rights at Death Act, or comparable legislation, to be replaced by this act.*
17

18 **Comment**

19 This section repeals the adopting State's present Uniform Disposition of Community
20 Property Rights at Death Act. The effective date of this section should be the same date selected
21 by the state in Section 12 for the application of this act.

22 **Section 14. Effective Date**

23 This [act] takes effect