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UNIFORM COMMUNITY PROPERTY DISPOSITION AT DEATH ACT

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

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November 30, 2020

UNIFORM COMMUNITY PROPERTY DISPOSITION AT DEATH ACT

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TABLE OF CONTENTS

Prefatory Note..... 1
SECTION 1. SHORT TITLE. 4
SECTION 2. DEFINITIONS..... 4
SECTION 3. INCLUDED AND EXCLUDED PROPERTY..... 6
SECTION 4. FORM OF PARTITION OR WAIVER. 10
SECTION 5. REBUTTABLE PRESUMPTION..... 11
SECTION 6. DISPOSITION OF PROPERTY RIGHTS UPON DEATH..... 12
SECTION 7. OTHER LEGAL AND EQUITABLE REMEDIES AVAILABLE AT DEATH. 14
SECTION 8. RIGHTS OF SURVIVING SPOUSE, HEIR, BENEFICIARY, AND
CREDITOR..... 17
SECTION 9. PROTECTION OF THIRD PERSON. 20
SECTION 10. UNIFORMITY OF APPLICATION AND CONSTRUCTION..... 21
SECTION 11. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL
COMMERCE ACT..... 21
[SECTION 12. REPEAL]..... 21
SECTION 13. EFFECTIVE DATE..... 22

1 **UNIFORM COMMUNITY PROPERTY DISPOSITION AT DEATH ACT**

2
3 **Prefatory Note**

4 The Uniform Disposition of Community Property Rights at Death Act (UDCPRDA) was
5 approved by the Uniform Law Commission in 1971. The UDCPRDA established a system for
6 non-community property states to address the treatment of community property acquired by
7 spouses before they moved from a community property state to the non-community property
8 state. According to the UDCPRDA, its purpose was “to preserve the rights of each spouse in
9 property which was community property prior to change of domicile, as well as in property
10 substituted therefor where the spouses have not indicated an intention to sever or alter their
11 ‘community’ rights.” Unif. Disp. Comm. Prop. Rights Death Act, Pref. Note, at 3 (1971). As of
12 2020, sixteen states have enacted the UDCPRDA. Five states enacted the UDCPRDA in the
13 1970s, shortly after its approval. Or. Rev. Stat. § 112.705; Hawaii Rev. Stat. § 510-21; Colo.
14 Rev. Stat. Ann. § 15-20-101; Ky. Rev. Stat. § 391.210; Mich. Comp. L. Ann. § 557.261.
15 Another eight states enacted the UDCPRDA in the 1980s. N.C. Gen. Stat. § 31C-1; N.Y. Est.
16 Powers & Trusts Law § 6-6.1; Ark. Code. Ann. § 28-12-101; Va. Code § 64.1-197; Alaska Stat.
17 § 13.41.005; Wyo. Stat. § 2-7-720; Conn. Gen. Stat. Ann. § 45a-458; Mont. Code Ann. § 72-9-
18 101. One state enacted it in the 1992, (Fla. Stat. Ann. § 732.21), and two states – Utah and
19 Minnesota – enacted the UDCPRDA in 2012 and 2013, respectively. Utah Code § 75-2b-101;
20 Minn. Stat. § 519A.01.

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

40 Under traditional conflicts-of-law principles, the result is the same: a move from a
41 community property state to a non-community property one does not change the nature of the
42 property. Sarah N. Welling, *The Uniform Disposition of Community Property at Death Act*, 65
43 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 law in non-community property states on this matter is often unclear.
6 The UDCRPDA provided a relatively simple solution that served to clarify an otherwise murky
7 area 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 non-probate
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, insofar as it preserves some rights that spouses
20 would have had in the community property jurisdiction for certain bad faith acts or acts of
21 mismanagement of community property by a spouse, whereas the UDCPRDA “only define[d]
22 the dispositive rights, at death, of a married person as to his interests at death in property” subject
23 to the act.

24 Section 3 sets forth the applicability of the UCPDDA and the property to which it applies,
25 namely, only the property acquired by spouses while domiciled in a community property
26 jurisdiction, as well as any rents, profits, issues, or traceable mutations of that property. Once
27 spouses move to a non-community property state, their newly acquired marital property is
28 governed by the law in that state.

29 Section 4 makes clear that if the spouses have partitioned their community property, the
30 UCPDDA no longer applies to that property, as the spouses themselves have ended the
31 community property classification of the property and mutually allocated to each other separate
32 property interests that were previously held as community.

33 Section 5 assists courts and the parties in evidentiary matters of proof in applying the
34 UCPDDA. Specifically, even if two spouses are married under a community regime in a
35 community property state, they may still acquire separate property that is owned individually and
36 is not part of their community regime. Community property states generally impose a
37 presumption that all property acquired by either spouse during the existence of their community
38 is presumed to be community, unless a spouse can demonstrate to the contrary. Section 5 adopts
39 the same type of rebuttable presumption, such that a party asserting the applicability of this act
40 would need to prove only that the property was acquired while domiciled in a community
41 property jurisdiction under a community property regime and not that the property was acquired

1 while domiciled in a community property jurisdiction and that the relevant property was not
2 acquired separately. It was thought that any other rule might make proof of application of the act
3 too difficult, given the passage of time, the absence of records, and the fading of memories
4 between the time when the property was originally acquired and the time of death of the
5 decedent.

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

10 Section 7 is new and has no analogue in the UDCPRDA. It expands the applicability of
11 this act to allow a court to adjudicate claims for certain bad faith actions by one spouse that
12 might impair the rights of the other spouse with respect to property to which this act applies.
13 One such example could be the unauthorized alienation of property to the prejudice of the other
14 spouse. This section allows for a damage or equitable claim to be brought at the death of one
15 spouse by the other or by his personal representative, provided a spouse's interest in property
16 was prejudiced by the actions of the other spouse.

17 Section 8 provides limitations periods within which a party must act to preserve rights
18 under this act.

19 Section 9 protects third persons who have transacted in good faith and for value.
20 Otherwise, third persons could be subject to claims by a spouse under Section 7 if the spouse
21 engages in some acts of bad faith management of community property while alive. Similarly,
22 Section 8 may grant beneficiaries of the decedent or the surviving spouse of the decedent rights
23 against third persons for unauthorized alienations. Section 9 ensures that in most instances, third
24 persons will be protected from these claims.

1 amendments also attempt to broadly define the term spouse to include any “relationship under
2 which community property could have been acquired” (e.g., marriage, domestic or registered
3 partnerships, common law marriages, and putative spouses), provided such a relationship is
4 recognized as valid under conflicts of law principles in the enacting states. See, e.g.,
5 Restatement (Second) of Conflict of Laws § 283 (“A marriage which satisfies the requirements
6 of the state where the marriage was contracted will everywhere be recognized as valid unless it
7 violates the strong public policy of another state which had the most significant relationship to
8 the spouses and the marriage at the time of the marriage.”).

9 10 **Comment**

11
12 (1) *Jurisdiction*. The term “jurisdiction” is included in this act in order to ensure the
13 applicability of this act to individuals who acquired community property in a foreign country.
14 For example, if a couple were married in Cuba, a community property jurisdiction, and acquired
15 stock while domiciled there but sold the stock after moving to Florida, a non-community
16 jurisdiction, the widow of the spouse in whose name the stock was registered would have a one-
17 half interest in the property. See, e.g., *Quintana v. Ordone*, 195 So. 2d 577 (Dist. Ct. Fla. 3d Cir.
18 1967).

19
20 (2) *Partition*. The term “partition” is defined to mean a severance or division by spouses
21 of property that was community property or treated as community property. A partition may
22 occur while the parties are domiciled in a community property state or after they move to a non-
23 community property state. In the latter case, a partition can still occur irrespective of whether the
24 property retains its community property character in the new state or is merely treated as
25 community property for purposes of application of this act.

26
27 (3) *Person*. The definition of “person” is based upon the standard Uniform Law
28 Commission definition.

29
30 (4) *Spouse*. The term “spouse” is defined expansively to include not only married
31 persons, of either sex, but also partners in other arrangements, such as domestic or registered
32 partnerships, under which community property may be acquired. See, e.g., Cal. Fam Code §
33 297.5 (stating that domestic partners “have the same rights, protections and benefits, and are
34 subject to the same responsibilities, obligations and duties under law, whether derived from
35 statutes, administrative regulations, court rules, government policies, common law, or any other
36 provisions or sources of law, as are granted to and imposed upon spouses”); Nev. Rev. Stat. §
37 122A.200. The term may also encompass putative spouses and spouses under common law or
38 informal marriages. The putative spouse doctrine is a remedial doctrine recognized in many
39 states that allows a person in good faith to enjoy community property and other civil effects of
40 marriage, despite not being a party to a legally valid marriage. See, e.g., Unif. Marriage & Div.
41 Act § 209. Although few, if any, community property states recognize common law marriage,
42 Texas does recognize “informal marriages” and thus parties to such an arrangement could also be
43 included in the definition of a “spouse” under this act. See, e.g., Tex. Fam. Code § 2.401. In all
44 events, recognition of the validity of the marriage or marriage-like arrangement by this state is
45 dependent upon the treatment of that arrangement as valid under the conflict-of-law principles of
46 this state.

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

3
4 **SECTION 3. INCLUDED AND EXCLUDED PROPERTY.**

5 (a) This [act] applies to the following property of a spouse who formerly was domiciled
6 in a jurisdiction where property could be acquired as community property, without regard to how
7 the property currently is titled or held:

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

9 (A) all or a proportionate part of each item of personal property, wherever
10 located, that was community property under the law of the jurisdiction where the decedent or the
11 surviving spouse of the decedent was domiciled at the time of acquisition;

12 (B) income, rents, or profits, and appreciations or other increases,

13 (i) derived from property described in paragraph (a) (1)(A) or (a)
14 (1)(C); or

15 (ii) that were characterized as community property under the law
16 of the jurisdiction where the decedent or the surviving spouse of the decedent was domiciled at
17 the time of its creation or production;

18 (C) property traceable to property described in paragraph (1) (A) and
19 (1)(B);

20 (2) whether or not a decedent was domiciled in this state at the time of death,

21 (A) all or a proportionate part of each item of real property located in this
22 state that was traceable to community property or acquired with community property under the
23 law of the jurisdiction where the decedent or the surviving spouse of the decedent was domiciled
24 at the time of acquisition;

25 (B) income, rents, or profits, and appreciations or other increases, derived

1 from property described in paragraph (2) (A).

2 (b) This [act] does not apply to the following property:

3 (1) property that has been partitioned between spouses;

4 (2) property subject to a waiver of rights granted by this act;

5 (c) [Except for purposes of calculating the augmented estate and elective share rights,]

6 Section 6 of this [act] does not apply to the following property:

7 (1) property, which at the death of the decedent, was held by spouses with a right
8 of survivorship in favor of the surviving spouse; and

9 (2) property held in a form, including a revocable trust, that was paid or was
10 transferred on death of the decedent to the surviving spouse.

11 **Reporter’s Notes**

12
13 The amendment regarding “income, rents, or profits, and appreciations or other
14 increases” attempts to capture income of property that is traceable to community property by
15 including a new reference to (a)(1)(C) in section (a)(1)(B). In addition, provision (a)(1)(B)(ii)
16 attempts to capture income from separate property in those states where such income is
17 considered community property but not those states where income of separate property is
18 separate. At the same time, it attempts to capture the law in those states that would grant a
19 community property interest in the “appreciations or other increases” in separate property that
20 result from community effort or expenditures of “time, toil, or talent” of a spouse in community.
21

22 The amendment to this section also combines this section with various exclusions from
23 former Section 4 of the act. It excludes certain classes or property from this act, such as property
24 partitioned or property to which rights under this act have been waived because spouses have
25 indicated a desire that the property should no longer be treated as community property. Property
26 held with rights of survivorship or in transfer-on-death forms, however, are excluded only from
27 Section 6 this act, which provides how property subject to this act is disposed of upon death.
28 These classes of property are excluded from Section 6 because the spouses themselves have
29 either expressly or tacitly provided for other mechanisms of disposition at death. Section 7 of
30 this act, however, may still be relevant if less than a one-half interest in the property has been
31 transferred to the surviving spouse at death.
32

33 **Comment**

34
35 This section makes the act applicable to spouses who were formerly domiciled in a
36 community property jurisdiction. The term “jurisdiction” is used, rather than the narrower term

1 “state,” to be clear that this act would apply to a spouse who was domiciled in foreign
2 jurisdictions where community property may be acquired. The term “formerly ... domiciled” is
3 used to indicate that the act will be applicable whenever a spouse was domiciled at any time in
4 the past in a community property jurisdiction, has acquired property there, and has moved to
5 another jurisdiction. Thus, if A and B were married in state X (a community property state) and
6 acquired property there, but then moved to state Y (a non-community property state) prior to
7 moving again to state Z (also a non-community property state) where A eventually dies, state Z
8 should apply this act to the property acquired by A and B in state X.
9

10 Under subsection (1), the act applies to all personal property that was originally classified
11 as a community property by the state at the time in which it was acquired. The current location
12 of the personal property is not relevant for application of this act. Thus, if A and B were married
13 in state X (a community property state), acquired a car there, and eventually moved to state Z (a
14 non-community property state) where A eventually dies, then the car would be subject to this act,
15 even if the car was left in storage in state Y.
16

17 Under subsection (2), this act adopts the traditional situs rule for real estate and is made
18 applicable to all real estate located in a state where this act has been adopted, irrespective of
19 whether the party to whom the act applies is domiciled in the enacting state. Thus, if A and B,
20 while domiciled in a state X (a community property state) acquire real estate with community
21 funds in state Y (a non-community property state), but then move to state Z (also a non-
22 community property state), where A eventually dies, then this act will apply to the real estate in
23 state Y, assuming state Y has enacted this act. Whether or not state Z has enacted this act will be
24 important in ascertaining how the personal property of A is distributed, but not in the disposition
25 of the real estate, located in state Y.
26

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

32 In some community property states, an “inception of title” theory is used, such that the
33 characterization of the property is dependent upon the characterization of the right at the time of
34 acquisition. For example, a house acquired in a credit sale before marriage would remain separate
35 property under an “inception of title” theory even if the vast majority of the payments were made
36 after marriage and with community funds. In this instance, the community would have a claim for
37 reimbursement for the amount of funds expended for the separate property of the acquiring spouse.
38 Section 7 of this act accommodates reimbursement claims, if such a claim would be appropriate
39 under the law of the relevant jurisdiction. In other jurisdictions, a “pro rata” approach is employed,
40 which provides for a combination of community and separate ownership based in proportion to
41 the payments contributed by either the community or the spouses separately. The act
42 accommodates this approach by not requiring an “all or nothing” classification of community
43 property. Rather, the act is applicable when “all or the proportionate part” of property would be
44 community property according to the law of a jurisdiction in which the spouse was formerly
45 domiciled at the time of acquisition.

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

13 Under subsection (1)(B) and (2)(B), income, rents, or profits derived from community
14 property are also subject to this act, as well as appreciations or other increases in community
15 property. This section should be read to include net income, rather than gross income, from
16 community property, as well as things produced from community property (i.e., “appreciations
17 and other increases”), even if not technically revenue producing. Thus, if a \$500,000 house were
18 purchased completely with community funds and increased in value to \$700,000 after spouses
19 moved to a non-community property state, then the entire house, not merely \$500,000 in value,
20 is classified as community property. Similarly, crops produced from a community property farm
21 and a foal produced from a horse that is owned as community property are also considered to be
22 community property.
23

24 Subsections (1)(B) and (2)(B) also apply not only to income, rents, and profits from
25 community property produced prior to moving to a non-community property jurisdiction, but
26 also after the move. Indeed, in the former case, such a rule would be unnecessary as all
27 community property states already characterize income, rents, or profits derived from, as well as
28 appreciations or other increases in, community property as community property. The rule in
29 subsections (1)(B) and (2)(B), however, is necessary to be clear that even after spouses move to a
30 non-community property state, the incomes, rents, and profits produced by community property
31 acquired prior to the move are still community property after the move to a non-community
32 property state. Thus, interest produced from a community property savings account is still
33 community property after A and B move from state X (a community property state) to state Z (a
34 non-community property state), irrespective of the location of the account.
35

36 As should be clear, this Section applies not only to property that was community property
37 under the law of the community property state but also to any property that is traceable to
38 community property. Simply stated, property is “traceable” to community property if the
39 property changes form without changing character. WILLIAM A. REPPY, CYNTHIA A. SAMUEL,
40 AND SALLY BROWN RICHARDSON, COMMUNITY PROPERTY IN THE UNITED STATES 161 (2015)
41 (quoting W. BROCKELBANK, THE COMMUNITY PROPERTY LAW OF IDAHO 134 (1964)). By way of
42 illustration, if after moving from a state X (a community property state) to state Z (a non-
43 community property state), A and B transfer money from a community property bank account
44 opened in state X to a bank in their new domicile, state Z, then the bank account in state Z is
45 subject to this act because it is traceable to community property. Similarly, if A and B are

1 designation of a spouse as a beneficiary of the property on the death of the other spouse creates a
2 strong presumption that the spouses agreed to retitle the property and voluntarily sever their
3 community interests.

4
5 **SECTION 5. REBUTTABLE PRESUMPTION.** Property acquired by a spouse when
6 domiciled in a jurisdiction where property could then be acquired by the spouse as community
7 property is presumed to be community property, if the spouse has complied with the necessary
8 procedures for acquiring community property. The presumption may be rebutted by a
9 preponderance of the evidence.

10 **Reporter’s Notes**

11
12 The amendment attempts to accommodate so-called “opt-in” states where spouses can
13 elect community property provided specific affirmative steps are taken to acquire property
14 during marriage as community property.

15 **Comment**

16
17
18 This section adopts a blanket presumption in favor of treating all property acquired by a
19 spouse while domiciled in a community property jurisdiction as community property, provided,
20 of course, that the laws of the community property state allowed community property to “then be
21 acquired” by *that* person. In other words, the presumption applies only to those persons who
22 could acquire community property under the laws of the relevant jurisdiction and have complied
23 with the necessary laws to do at the time of acquisition. Consequently, the presumption does
24 not apply to unmarried individuals or to those who have opted out of the community regime even
25 if they acquire property while domiciled in a community property jurisdiction, as those
26 individuals could not then acquire community property in that jurisdiction. Similarly, in
27 jurisdictions that allow for parties to “opt in” to community property, the presumption of this
28 section does not apply unless the parties have, in fact, opted into the community regime, as
29 property could not “then be acquired” as community property absent an election by the parties
30 that their property be treated as community property. See, e.g., Alaska Stat. § 34.77.030(a).

31
32 Although stated in various ways, the blanket presumption of this section is common in
33 community property jurisdictions. See, e.g., N.M. Stat. Ann. § 40-3-12(A) (“Property acquired
34 during marriage by either husband or wife, or both, is presumed to be community property.”);
35 Wisc. Stat. § 766.31(2) (“All property of spouse is presumed to be marital property.”); Tex. Fam.
36 Code § 3.003(a) (“Property possessed by either spouse during or on dissolution of marriage is
37 presumed to be community property”); La. Civ. Code art. 2340 (“Things in the possession of a
38 spouse during the existence of a regime of community of acquets and gains are presumed to be
39 community, but either spouse may prove they are separate property.”); Cal. Fam. Code § 760;
40 Unif. Marital Prop. Act. § 4(a) (“All property of spouses is marital property except that which is
41 classified otherwise by this Act.”).

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

12
13 Unlike the prior version of this act, this act does not impose a presumption against the
14 applicability of this act for property acquired in a non-community property state and held in a
15 form that creates rights of survivorship. Taking title to property in various forms is often a
16 unilateral act that should not by itself serve as a presumption of partition of interests in a
17 community asset. After all, a spouse may move to non-community property state and open a
18 bank account with a pay-on-death designation to a friend or a sibling. Such an account should
19 not be presumed to be excluded from this applicability of this act, as the relevant account may
20 have been funded with community property acquired prior to the move. The ultimate treatment
21 of the relevant account will depend upon whether it can be proved that the money in the account
22 was traceable to community property.

23 24 **SECTION 6. DISPOSITION OF PROPERTY RIGHTS UPON DEATH.**

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

28 (b) If, at death, the decedent purported to dispose of property belonging to the surviving
29 spouse to a third person and disposed of other property to the surviving spouse, the court may
30 require the surviving spouse to elect between retaining the disposition to the surviving spouse or
31 asserting rights under this [act].

32 (c) One-half of the property to which this [act] applies belongs to the decedent and is
33 subject to disposition by the decedent at death.

34 [Option 1 (Traditional Elective Share States): The property that belongs to the
35 decedent is not subject to elective-share rights of the surviving spouse.]

1 If the decedent disposes of the surviving spouse's share of property under this act but
2 transfers other property to the surviving spouse, a court may require the surviving spouse to
3 make an equitable election to retain the disposition from the decedent or assert rights under this
4 act.

5
6 Under subsection (c), at the death of one spouse, one-half the property to which this act
7 applies belongs to the decedent. Again, this is universal approach of community property states.
8 As a result, the decedent can dispose of that property by any probate or non-probate mechanism.
9 Elective share rights that are common in non-community property states do not apply in
10 community property states, at least not with respect to community property in those states.
11 Consequently, a surviving spouse does not have elective share rights against the decedent's share
12 of the property under this act. Subsection (b), however, does not limit a surviving spouse's claim
13 for other statutory allowances, such as homestead allowances, allowances for exempt property,
14 and family allowances. See, e.g., Unif. Prob. Code §§ 2-402, 2-403, and 2-404.

15
16 If the decedent dies intestate, then one-half of the property covered by this act is included
17 in the decedent's intestate estate. Under many scenarios, the intestate law of most states would
18 grant to the surviving spouse a lump sum plus at least one half of the remainder of the decedent's
19 property, which would be in addition to the one-half interest granted to the surviving spouse in
20 property to which this act applies.

21
22 By way of illustration of this section, assume A and B were formerly domiciled in state X
23 (a community property jurisdiction) where all their property was community property, and have
24 subsequently moved to a state Y (a non-community property state). Upon moving to state Y, A
25 and B acquired a home in state Z (also a non-community property jurisdiction), titled solely in
26 B's name but with funds from the proceeds of the sale of the home in state X. A and B also
27 acquired stock while domiciled in state X, but held it in safety deposit boxes located in states U
28 and V (two other non-community property states). A and B also retained a summer house in
29 state X, which they acquired while domiciled there and which was titled solely in B's name. A
30 and B also acquired real property in state Z for investment purposes and held title as tenants by
31 the entireties. Finally, B acquired bonds held in B's name issued by the company that employed
32 B and acquired with earnings from B's job in state Z.

33
34 At B's death, the home in state Z and the stock located in states U and V would be
35 property subject this act, and consequently, B would have the right under this section to dispose
36 of half. The home retained in state X would be community property under the law of state X, but
37 this act applies only to real property located in the adopting state. Because the investment
38 property located in state Z was held as tenants by the entireties, it is strongly presumed that A
39 and B partitioned that property and thus made this act inapplicable to that asset. Finally, the
40 bonds held in B's name would not be subject to this act because they were acquired with
41 property earned and acquired in state Z, a non-community property state.

42
43 **SECTION 7. OTHER LEGAL AND EQUITABLE REMEDIES AVAILABLE AT**
44 **DEATH.** With respect to property to which this [act] applies, at the death of the decedent, the

1 surviving spouse of the decedent or the personal representative, heirs, creditors, or nonprobate
2 transferees of the decedent may assert a right:
3 (1) on account of:
4 (A) act of the surviving spouse or decedent during the marriage; or
5 (B) act of the decedent which takes effect at the death of the decedent; and
6 (2) that could have been asserted under the law of the community property jurisdiction
7 where the decedent or the surviving spouse was formerly domiciled at the time the property was
8 acquired.

9 **Reporter’s Note**

10
11 The amendment to this section changes the prior version of the draft to make clear that
12 this section applies to “rights” rather than “procedural claims.” It was also expanded to cover
13 heirs, creditors and nonprobate transferees who may assert rights other than those granted by
14 Section 6 due to nonprobate transfers of the decedent.
15

16 **Comment**

17
18 This section confirms that comparable legal and equitable remedies that would be
19 available to protect a spouse in a community property jurisdiction remain available at death in a
20 non-community property state under this act. Two remedies often provided by community
21 property jurisdictions are claims for reimbursement and monetary claims against a spouse for
22 marital waste, fraud, or bad faith management.
23

24 Claims for reimbursement are commonly available when community property has been
25 used to satisfy a separate obligation or when separate property has been used to improve
26 community property or vice versa, *see, e.g.*, La. Civ. Code art. 2364, 2366, and 2367; Cal. Fam.
27 Code § 2640. Different community property states calculate the amount of reimbursement
28 differently. *See, e.g., Hiatt v. Hiatt*, 487 P.2d 1121 (Idaho 1971) (awarding reimbursement based
29 upon the enhanced value of the property even if it exceeds the amount spent); *Portillo v.*
30 *Shappie*, 636 P.2d 878 (N.M. 1981) (assessing reimbursement based upon the enhanced value of
31 the improved property even if it exceeds the amount of money expended); La. Civ. Code art.
32 2366 (providing for reimbursement based upon the amount expended); *Marriage of Sedlock*, 849
33 P.2d 1243 (Wash. App. 1993) (awarding reimbursement based upon the amount spent); Estate of
34 *Kobyliski v. Hellstern*, 503 N.W.2d 369 (Wis. App. 1993) (assessing reimbursement based upon
35 the greater of the amount spent or the value added). This section grants courts flexibility in
36 assessing the amount of the reimbursement.
37
38

1 Different community property states also provide different remedies to a spouse whose
2 community property interest has been unduly impaired by another spouse with authority to
3 manage or alienate community property. In California, for example, a court may award a
4 defrauded spouse a percentage interest or an amount equal to a percentage interest in any asset
5 transferred in breach of a spouse’s fiduciary duty. Cal. Fam. Code § 1101. In Texas, the
6 doctrine of “fraud on the community” protects one spouse when the other wrongfully depletes
7 community property through actual or constructive fraud by allowing a court to allocate other
8 property to the defrauded spouse through any legal or equitable remedy necessary, including a
9 money judgment or a constructive trust. See, e.g., Tex. Fam. Code § 7.009; *see also Osuna v.*
10 *Quintana*, 993 S.W.2d 201 (Tex. Ct. App. Corpus Christi 1999) (“The breach of a legal or
11 equitable duty which violates the fiduciary relationship existing between spouses is termed
12 ‘fraud on the community,’ a judicially created concept based on the theory of constructive
13 fraud.”). In Louisiana, a spouse may be awarded damages when the other spouse acted
14 fraudulently or in bad faith. See La. Civ. Code art. 2354 (“A spouse is liable for any loss or
15 damage caused by fraud or bad faith in the management of the community property.”). In
16 addition to damages and equitable relief, some community property states statutorily grant courts
17 authority to add the name of a spouse to a community asset titled solely in the name of the other
18 spouse in order to protect the interest of the previously unnamed spouse. See, e.g., Cal. Fam.
19 Code § 1101 (c); Wisc. Stat. § 766.70(3). This section provides the court with broad authority to
20 grant damages or to craft any other appropriate equitable remedy necessary to protect a spouse.
21

22 The rights granted by this section are operable at the death of an individual and may not
23 be asserted during the existence of the marriage. This approach is consistent with the law of
24 various community property jurisdictions. See, e.g., La. Civ. Code art. 2358 (“A claim for
25 reimbursement may be asserted only after termination of the community property regime, unless
26 otherwise provided by law.”). *But see* Uniform Marital Property Act § 13 (allowing claims for
27 breach of the duty of good faith and for an accounting to be brought by spouses during an
28 ongoing marriage). The relief sought under this section may, however, be for actions of a spouse
29 taken either during life or that take effect at death. For instance, during life, a spouse may use
30 community funds to augment a separate property asset. Moreover, a spouse during the marriage
31 may have inappropriately donated property to a third person. Similarly, at the death of the
32 decedent, the decedent may have inappropriately transferred property belonging to the surviving
33 spouse to a third person by non-probate transfer. Although community property states generally
34 enforce such transfers, they correspondingly grant a claim for damages, recovery, or
35 reimbursement to the surviving spouse. Again, this section grants a court broad authority to craft
36 legal or equitable remedies to protect a spouse. Of course, the application of this section must
37 yield when appropriate to federal law. See, e.g., Employment Retirement Security Act, 29
38 U.S.C. Section 1001 et seq.; *Boggs v. Boggs*, 520 U.S. 833 (1997) (holding that ERISA pre-
39 empted state community property law and remedies, even though the relevant ERISA-governed
40 retirement plan was funded with community property).
41

42 Although most instances of application of this section will involve monetary claims
43 against by one spouse against another, this section does preserve other “equitable relief,” which
44 may involve recognition of rights against third persons to whom property has been transferred by
45 one spouse without authorization of the other. Equitable doctrines, such as a “constructive
46 trust,” are common remedies used by courts to protect the interest of a spouse. This section,

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

11
12 **SECTION 8. RIGHTS OF SURVIVING SPOUSE, HEIR, BENEFICIARY, AND**
13 **CREDITOR.**

14 (a) In this section, "record" means information that is inscribed on a tangible medium or
15 that is stored in an electronic or other medium and is retrievable in perceivable form.

16 (b) With respect to property to which this [act] applies, the surviving spouse of the
17 decedent may assert a claim for relief

18 (1) in a probate proceeding by sending a demand in a record to the personal
19 representative of the decedent not later than [six months] after the appointment of the personal
20 representative. If the surviving spouse does not send the demand, the personal representative
21 does not have a duty to apply this [act], or

22 (2) in an action to perfect title to property, in an action asserting a right to a
23 nonprobate asset, or in the absence of a probate proceeding, by commencing a judicial
24 proceeding against the heirs, devisees, or nonprobate transferees of the decedent not later than
25 [three years] after the death of the decedent.

26 (c) With respect to property to which this [act] applies, an heir, a devisee, or a nonprobate
27 transferee of the decedent may assert a claim for relief

28 (1) in a probate proceeding by sending a demand in a record to the personal
29 representative of the decedent not later than [six months] after the appointment of the personal

1 representative, or

2 (2) in an action to perfect title to property, an action asserting a right to a
3 nonprobate asset, or in the absence of a probate proceeding, by commencing a judicial
4 proceeding against the surviving spouse of the decedent not later than [three years] after the
5 death of the decedent.

6 (d) With respect to property to which this [act] applies, the personal representative of the
7 decedent may institute an action to perfect title to property or an action asserting a right to a
8 nonprobate asset by commencing a judicial proceeding against the surviving spouse of the
9 decedent not later than [three years] after the death of the decedent.

10 (e) With respect to property to which this [act] applies, all claims by creditors of the
11 decedent are barred, unless presented within the earlier of the following:

12 [(1) one year after the decedent's death; or

13 (2) for creditors barred by publication, within four months after the date of first
14 publication of notice of the appointment of the personal representative; and for creditors to
15 whom actual notice was given, within the later of 60 days after the mailing or other delivery of
16 notice to a creditor to present his claim or within four months after published notice.]

17 ***Legislative Note:***

18
19 *In Subsection (b) and (c), a state should insert in (b)(1) and (c)(1) the relevant time frame for*
20 *asserting claims to be asserted in a probate proceeding and in (b)(2) and (c)(2) the relevant time*
21 *frame for asserting claims to nonprobate assets or for probating wills or challenging revocable*
22 *trusts.*

23
24 *In Subsection (d), a state should insert the relevant time frame for asserting claims to*
25 *nonprobate assets or for probating wills or challenging revocable trusts.*

26 *In Subsection (e) of this act, a state should insert or reference its existing non-claim statutes with*
27 *regard to the time frames for asserting creditor claims.*

1 **Reporter's Notes**

2 Subsection (b) provides time frames for a surviving spouse asserting a right under this act
3 either in a probate proceeding (see (b)(1)) or outside the probate process in the case of an action
4 to perfect title to property, nonprobate assets, or no probate proceedings (see (b)(2).
5

6 Subsection (c) provides time frames for a heirs, creditors, or nonprobate transferees for
7 asserting a right under this act either in a probate proceeding (see (c)(1)) or outside the probate
8 process in the case of an action to perfect title to property, nonprobate assets, or no probate
9 proceedings (see (c)(2).
10

11 Subsection (d) provides time frames for a personal representative of the decedent to
12 recover nonprobate property or perfect title in probate property after being notified by heirs or
13 devisees that probate property is held by the surviving spouse.
14

15 Subsection (e) is based upon UPC 3-803, regarding the time frames for creditors asserting
16 claims.
17

18 **Comment**
19

20 Subsection (b) of this section allows a surviving spouse to protect rights under this act
21 and provides a statute of limitation for doing so. Namely, a surviving spouse must institute an
22 action against the successors of the decedent within three years of the date of death of the
23 decedent. Although not required, a surviving spouse may also file a written demand with the
24 personal representative of the decedent. Unless the surviving spouse does so within six months
25 of the opening of decedent's estate, the personal representative has no fiduciary duty to
26 investigate or to attempt to ascertain whether this act applies to any property owned by the
27 decedent.
28

29 Subsection (c) of this section allows the personal representative, an heir, or a beneficiary
30 of the decedent to protect rights under this act and provides a statute of limitation for doing so.
31 Namely, an action must be instituted against the surviving spouse within three years of the date of
32 death of the decedent. Although not required, the heirs, beneficiaries or creditors of the decedent
33 may attempt to protect their interests by filing a written demand with the personal representative
34 of the decedent within six months of the opening of decedent's estate. Unlike in subsection (b) of
35 this section, the personal representative of the decedent has an obligation to attempt to ascertain
36 whether the decedent has property rights that should be protected under this act. See, e.g., Unif.
37 Prob. Code §§ 3-703 (general duties) & 3-706 (duty to prepare an inventory).
38

39 The time periods provided in this section are generally borrowed from other areas of law.
40 Specifically, a six-month period is not an uncommon period for a non-claim statute for creditors
41 and the three-year period is adapted from claims challenging revocable trusts and for contesting
42 nonprobated wills. See Unif. Trust Code § 604; Unif. Prob. Code § 3-108.
43

1 property belonging partly to B solely in A’s name and sells it to C, C is protected from any claim
2 by A with respect to the property because C gave value and provided C is in good faith and does
3 not know that A improperly transferred property belonging to B. To the extent B has a
4 cognizable claim under Section 7 of this act, it will be solely against A, not C. On the other
5 hand, if A donated a community asset to C, C would not be protected by this section and B’s
6 claim under Section 7 of this act could be cognizable against A or C or both.
7

8 Second, this section also applies after the death of a decedent. Section 8 of this act
9 provides relevant time periods within which a surviving spouse may assert rights against a
10 personal representative of the decedent, as well as heirs or transferees of the decedent. Similarly,
11 it also provides relevant time periods within which the heirs, beneficiaries, or creditors of the
12 decedent may assert rights against the surviving spouse or the personal representative of the
13 decedent. This section protects third persons who transact with those relevant parties in
14 possession of apparent title to property, provided the third person gives value, is in good faith,
15 and is without knowledge that the other party to the transaction is improperly exercising
16 authority. For example, if after A’s death, A’s surviving spouse, B, sells Blackacre, which is
17 titled solely in B’s name, to C, C will be protected from liability under this section, even if
18 Blackacre was subject to this act because it was traceable to community property, provided, of
19 course, C was in good faith and without knowledge that B was exceeding his authority.
20

21 **SECTION 10. UNIFORMITY OF APPLICATION AND CONSTRUCTION.** In
22 applying and construing this uniform act, consideration must be given to the need to promote
23 uniformity of the law with respect to its subject matter among states that enact it.

24 **SECTION 11. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND**
25 **NATIONAL COMMERCE ACT.** This [act] modifies, limits, and supersedes the federal
26 Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001, et seq.,
27 but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c) or
28 authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15
29 U.S.C. Section 7003(b).

30 **[SECTION 12. REPEAL.** The [Uniform Disposition of Community Property Rights at
31 Death Act] is repealed.]

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

1 **Comment**

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

5 **SECTION 13. EFFECTIVE DATE.** This [act] takes effect This [act] applies to
6 all judicial proceedings with respect to property to which this act applies commenced on or after
7 [its effective date] regardless of the time of the death of the decedent, unless the court finds
8 application of a particular provision of this [act] would substantially interfere with the effective
9 conduct of the judicial proceedings or prejudice the rights of the parties, in which case the
10 particular provision of this [act] does not apply and the superseded law applies.

11 **Reporter’s Note**

12 The amendment to this section is based generally upon UPC 8-101 and UTC 1106.