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UNIFORM COMMUNITY PROPERTY DISPOSITION AT DEATH ACT

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

March 2, 2021 Committee Video Conference



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February 11, 2020

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 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 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 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, unless it is traceable to property that was community property
29 or treated as such.

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

36 Section 5 assists courts and the parties in evidentiary matters of proof in applying the
37 UCPDDA. Specifically, even if two spouses are married under a community regime in a
38 community property state, they may still acquire separate property that is owned individually and
39 is not part of their community regime. Traditional “opt out” community property states
40 generally impose a presumption that all property acquired by either spouse during the existence
41 of their community is presumed to be community, unless a spouse can demonstrate to the

1 contrary. Section 5 adopts the same type of rebuttable presumption, such that a party asserting
2 the applicability of the act would need to prove only that the property was acquired while
3 domiciled in a community property jurisdiction under a community property regime and not that
4 the property was acquired while domiciled in a community property jurisdiction and that the
5 relevant property was not acquired separately. It was thought that any other rule might make
6 proof of application of the act too difficult, given the passage of time, the absence of records, and
7 the fading of memories between the time when the property was originally acquired and the time
8 of death of the decedent. The very same presumption is applicable in an “opt in” community
9 property states, provided it is additionally shown that the spouses opted into the community
10 regime while domiciled in that state.

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

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

22 Section 8 provides limitations periods within which a party must act to preserve rights
23 under the act. This section recognizes that the periods may differ depending upon whether the
24 party asserting a right is a creditor or a personal representative, heir, devisee, nonprobate
25 transferee, or surviving spouse of the decedent. In addition, the periods may differ depending
26 upon whether the claim is brought in a probate proceeding or in a separate judicial proceeding to
27 perfect title to property.

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

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

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

2 **SECTION 1. SHORT TITLE.** This [act] may be cited as the Uniform Community
3 Property Disposition at Death Act.

4 **SECTION 2. DEFINITIONS.** In this [act]:

5 (1) “Jurisdiction” means the United States, a state, a foreign country, or a political
6 subdivision of a foreign country.

7 (2) “Partition” means a voluntary division by spouses of property that was community
8 property or is treated under this [act] as community property at the time of the division.

9 (3) “Person” means an individual, estate, business or nonprofit entity, public corporation,
10 government or governmental subdivision, agency, or instrumentality, or other legal entity.

11 (4) “Personal representative” includes an executor, administrator, successor personal
12 representative, and special administrator, and a person that performs substantially the same
13 function.

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

16 (6) “Record” means information that is inscribed on a tangible medium or that is stored in
17 an electronic or other medium and is retrievable in perceivable form.

18 (7) “Reclassify” means change the characterization or treatment of community property
19 to property owned separately by spouses.

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

21 (A) to execute or adopt a tangible symbol; or

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

~~(9) “Spouse” means an individual in a marriage or similar relationship under which community property could have been acquired at the time of the relationship and which is recognized as valid under conflicts of law principles in this state. [SEE MEMO]~~

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

Comment

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

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

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

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

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

(6) *Record*. The definition of “record” is based upon the standard Uniform Law Commission definition.

(7) *Reclassify*. The definition of “reclassify” is necessary to recognize that spouses may “transmute” or change the treatment of property from community to separate after they move from a community property jurisdiction to a non-community property jurisdiction. Although

community property jurisdictions also have rules in effect for changing separate property to community property, such a change would be outside the scope of this act, which seeks only to maintain the treatment of community property acquired by spouses after moving to a non-community property jurisdiction.

(8) *Sign*. The definition of “sign” is based upon the standard Uniform Law Commission definition.

(9) *Spouse*. The term “spouse” is defined expansively to include not only married persons, of either sex, but also partners in other arrangements, such as domestic or registered partnerships, under which community property may be acquired. *See, e.g.*, Cal. Fam Code § 297.5 (stating that domestic partners “have the same rights, protections and benefits, and are subject to the same responsibilities, obligations and duties under law, whether derived from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon spouses”); Nev. Rev. Stat. § 122A.200(a) (“Domestic partners have the same rights, protections and benefits, and are subject to the same responsibilities, obligations and duties under law, whether derived from statutes, administrative regulations, court rules, government policies, common law or any other provisions or sources of law, as are granted to and imposed upon spouses.”); Wash. Rev. Code Ann. §297.5(a) (2006) (“Property ... acquired after marriage or after registration of a state registered domestic partnership by either domestic partner or either husband or wife or both, is community property.”). The term may also encompass putative spouses and spouses under common law or informal marriages. The putative spouse doctrine is a remedial doctrine recognized in many states that allows a person in good faith to enjoy community property and other civil effects of marriage, despite not being a party to a legally valid marriage. *See, e.g.*, Unif. Marriage & Div. Act § 209. Although few, if any, community property states recognize common law marriage, Texas does recognize “informal marriages” and thus parties to such an arrangement could also be included in the definition of a “spouse” under this act. *See, e.g.*, Tex. Fam. Code § 2.401. In all events, recognition of the validity of the marriage or marriage-like arrangement by this state is dependent upon the treatment of that arrangement as valid under the conflict-of-law principles of this state. *See, e.g.*, Restatement (Second) of Conflict of Laws § 283 (“A marriage which satisfies the requirements of the state where the marriage was contracted will everywhere be recognized as valid unless it violates the strong public policy of another state which had the most significant relationship to the spouses and the marriage at the time of the marriage.”).

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

SECTION 3. INCLUDED AND EXCLUDED PROPERTY.

(a) This [act] applies to the following property [**of a spouse**], without regard to how the property is titled or held:

[Reporter’s Note: The Style Committee has suggested deletion of the phrase “of a

spouse” as redundant.]

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

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

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

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

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

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

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

(A) all or a proportionate part of each item of real property located in this state traceable to community property or acquired with community property under the law of the jurisdiction where the decedent or the surviving spouse of the decedent was domiciled when the property was acquired or became community property;

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

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

- 1 (1) spouses have partitioned or reclassified; or
- 2 (2) is the subject of a waiver of rights granted by this [act].

3 **Comment**

4

5 This section makes the act applicable to spouses who were formerly domiciled in a
6 community property jurisdiction. The term “jurisdiction” is used, rather than the narrower term
7 “state,” to be clear that this act would apply to a spouse who was domiciled in foreign
8 jurisdictions where community property may be acquired. Moreover, this act is applicable
9 whenever a spouse was domiciled at any time in the past in a community property jurisdiction,
10 has acquired property there, and has moved to another jurisdiction. Thus, if A and B were
11 married in state X (a community property state) and acquired property there, but then moved to
12 state Y (a non-community property state) prior to moving again to state Z (also a non-community
13 property state) where A eventually dies, state Z should apply this act to the property acquired by
14 A and B in state X.

15

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

22

23 Under subsection (a)(1)(B), this act applies to “income, rent, profit, appreciation, or other
24 increases” derived from or traceable to community property under (a)(1)(B)(i) in addition to
25 “income, rent, profit, appreciation, and other increase” from separate property under (a)(1)(B)(ii)
26 in those states where such income is considered community property but not those states where
27 income of separate property is separate. At the same time, subsection (a)(1)(B)(ii) makes this act
28 applicable to “appreciation[] or other increase” in separate property that result from community
29 effort or expenditures of “time, toil, or talent” of a spouse in community.

30

31 This reference in this subsection to “income” should be read to include net income, rather
32 than the gross income, from community property, as well as things produced from community
33 property (i.e., “appreciations and other increases”), even if not technically revenue producing.
34 Thus, if a \$500,000 house were purchased completely with community funds and increased in
35 value to \$700,000 after spouses moved to a non-community property state, then the entire house,
36 not merely \$500,000 in value, is classified as community property. Similarly, crops produced
37 from a community property farm and a foal produced from a horse that is owned as community
38 property are also considered to be community property.

39

40 Subsection (a)(1)(B) also applies not only to income, rents, and profits from community
41 property produced prior to moving to a non-community property jurisdiction, but also after the
42 move. Indeed, in the former case, such a rule would be unnecessary as all community property
43 states already characterize income, rents, or profits derived from, as well as appreciations or
44 other increases in, community property as community property. The rule in subsection

1 (a)(1)(B)(i), however, is necessary to be clear that even after spouses move to a non-community
2 property state, the incomes, rents, and profits produced by community property acquired prior to
3 the move are still community property after the move to a non-community property state. Thus,
4 interest produced from a community property savings account is still treated as community
5 property after A and B move from state X (a community property state) to state Z (a non-
6 community property state), irrespective of the location of the account.

7
8 Under subsection (a)(2), this act adopts the traditional situs rule for real estate and is
9 made applicable to all real estate located in a state where this act has been adopted, irrespective
10 of whether the party to whom the act applies is domiciled in the enacting state. Thus, if A and B,
11 while domiciled in a state X (a community property state) acquire real estate with community
12 funds in state Y (a non-community property state), but then move to state Z (also a non-
13 community property state) where A eventually dies, then this act will apply to the real estate in
14 state Y, assuming state Y has enacted this act. Whether or not state Z has enacted this act will be
15 important in ascertaining how the personal property of A is distributed, but not in the disposition
16 of the real estate located in state Y.

17
18 Under both subsections (a)(1) and (a)(2), this act applies to “all or a proportionate part”
19 of property that was acquired with community property. In other words, when an asset is
20 acquired partly with community property and partly with separate property, at least some portion
21 of the property should be characterized as community property. The issue of apportionment and
22 commingling, however, is a complex one with many state variations applicable to different types
23 of assets.

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

38 Even among states that employ a “pro rata” approach, there is considerable variation for
39 how the apportionment is made. As the comments in the UDCPRDA stated, “[a]ttempts at
40 defining the various types of situations which could arise and the varying approaches which
41 could be taken, depending upon the state, suggest that the matter simply be left to court decision
42 as to what portion would, under applicable choice of law rules, be treated as community
43 property.” The UCPDDA follows the same approach. Thus, if A acquires \$100,000 of life
44 insurance, pays five of the monthly \$1000 premiums from funds prior to marriage, pays 10 of the

1 premiums with community property after marrying B, and pays 10 more premiums (before
2 dying) from earnings acquired by B after A and B move to a non-community property state, then
3 some portion of the life insurance policy should be considered community property, if the law of
4 the community property state so treated it. This act leaves discretion to the courts as to how the
5 apportionment is made.

6 Under subsection (a)(1)(C), this act applies not only to property that was community
7 property under the law of the community property state but also to any property that is traceable
8 to property that was community property or treated as community property. Simply stated,
9 property is “traceable” to community property if the property changes form without changing
10 character. WILLIAM A. REPPY, CYNTHIA A. SAMUEL, AND SALLY BROWN RICHARDSON,
11 COMMUNITY PROPERTY IN THE UNITED STATES 161 (2015) (quoting W. BROCKELBANK, THE
12 COMMUNITY PROPERTY LAW OF IDAHO 134 (1964)). By way of illustration, if after moving from
13 state X (a community property state) to state Z (a non-community property state), A and B
14 transfer money from a community property bank account opened in state X to a bank in their
15 new domicile, state Z, then the bank account in state Z is subject to this act because it is traceable
16 to community property. Similarly, if A and B are married in state X (a community property
17 state), open a bank account there funded solely with community property and buy a car with that
18 money after moving to state Y (a non-community property state), then the car would still be
19 subject to this act because it is traceable to community property. The same result would obtain
20 even if A and B moved again from state Y to state Z (another non-community property state) and
21 exchanged their prior car for a new one in state Z. The new car would still be subject to this act
22 because it is traceable to the community property originally acquired in state X.

23
24 Subsection (b) of this act makes clear that this act does not apply in cases where spouses
25 have themselves divided former community property by means of a partition or when spouses
26 have changed the classification of their property from separate to community. Similarly, this act
27 does not apply to property that is subject to waiver of rights. Section 4 of this act prescribes the
28 necessary form and procedures for partition, reclassification, or waiver of rights.

30 **SECTION 4. FORM OF PARTITION, RECLASSIFICATION, OR WAIVER.**

31
32 Spouses domiciled in this state may:

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

35 (2) waive a right granted by this [act] only by complying with the laws applicable to
36 waive a spousal right under the law of this state.

37 **Comment**

38
39 This Section specifies the necessary form or procedure for a partition or reclassification
40 of property or waiver of rights under the act once the spouses have moved to the enacting state.

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

13
14 For a waiver of rights under this act, the parties must comply the standards for
15 enforceability of a waiver of spousal rights under the law of this state. Under the law of many
16 states, a waiver of spousal rights is governed by the Uniform Premarital Agreement Act (1983).
17 More recently, the Uniform Law Commission has promulgated the Uniform Premarital and
18 Marital Agreement Act (2012). Section 9 of that act requires, among other things, that a waiver
19 not be involuntary or executed under duress, that a party have access to independent legal
20 representation, and that a party have had adequate financial disclosure. Unif. Premarital &
21 Marital Agr. Act. § 9.

22
23 A mere unilateral act by a spouse of holding property in a form, including a revocable
24 trust, that has paid or has transferred property on death to a third person is not a partition of the
25 property or an agreement waiving rights granted under this [act]. The mere taking of title to
26 property that was previously acquired as community property in the form of a transfer-on-death
27 deed, does not operate as a partition, reclassification, or waiver. For example, if after moving
28 from a community property state to a non-community property state, A retitles a community
29 property bank account owned with B into a bank account in A’s name exclusively with a pay-on-
30 death designation to C, the retitling of former community property in the exclusive name of “A,
31 pay-on-death, C” does not constitute a partition. For a partition or reclassification to occur, both
32 spouses must agree to the severance of their community property interests and comply with the
33 necessary form requirements imposed by this Section.

34
35 This Section does not attempt to specific the requisite form or procedure for a partition
36 prior to moving to the enacting state, which should be governed by the law of the community
37 property state rather than this act. If parties have partitioned or reclassified previously acquired
38 community property after moving to a non-community property state, this act would not apply to
39 any such property owned by the decedent at death. The terms “partition” and “reclassify” are
40 defined in Section 2 of this act.

41 42 **SECTION 5. REBUTTABLE PRESUMPTIONS.**

43 (a) If a spouse was domiciled in a jurisdiction where community property could then be
44 acquired by the spouse by operation of law and as an incident of a marriage or a similar

relationship, all property acquired by the spouse when domiciled there is presumed to be community property.

(b) If a spouse was domiciled in a jurisdiction where community property could only then be acquired by agreement, then all property acquired by a spouse when domiciled there is presumed to be community property only if the spouses complied with the procedures in the jurisdiction for acquiring community property.

(c) A presumption under this section may be rebutted by a preponderance of the evidence.

Comment

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

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

1 Subsection (b) of this Section applies to so-called “opt-in” states where spouses can elect
2 community property, provided specific affirmative steps are taken to acquire property during
3 marriage as community property. In “opt in” jurisdictions, the presumption of community
4 property under this section does not apply unless the parties have, in fact, opted into the
5 community regime or, as stated under this section, “have complied with the necessary procedures
6 in that state for acquiring community property.” See, e.g., Alaska Stat. § 34.77.030(a).

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

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

33 34 **SECTION 6. DISPOSITION OF PROPERTY RIGHTS AT DEATH.**

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

38 (b) If, at death, a decedent purports to dispose of property belonging to the surviving
39 spouse to a third person and disposes of other property to the surviving spouse, the court must
40 require the surviving spouse to elect between retaining the disposition to the surviving spouse or

1 asserting 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. The value of property under
11 subsection (a) must be applied and credited in satisfaction of the elective share rights of the
12 surviving spouse.

13 **End of Alternatives**

14 (e) [Except for the purpose of calculating the augmented estate and elective-share rights,
15 this] [This] section does not apply to property that:

16 (1) at the death of the decedent, was held by spouses with a right of survivorship
17 and was paid or transferred to the surviving spouse of the decedent; or

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

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

22 **Legislative Note:** A traditional elective-share state should adopt Alternative A and should adopt the
23 language beginning with the word “this” in subsection (e). An augmented-estate elective-share state
24 should adopt Alternative B and should adopt the language beginning with word “except” in subsection
25 (e).
26

Comment

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

If, however, the decedent disposes of property subject to this act by non-probate transfer in favor of the third person, Section 7, rather than this section, applies. In other words, this act, like the law in community property states, provides that reimbursement or equitable claims may be available to a surviving spouse when a decedent improperly alienates the interest of a spouse by means of a non-probate transfer. *See, e.g., T.L. James & Co. v. Montgomery*, 332 So. 2d 834 (La. 1975).

Under subsection (b), if the decedent disposes of the surviving spouse's share of property under this act but transfers other property to the surviving spouse, a court may require the surviving spouse to make an equitable election to retain the disposition from the decedent or assert rights under this act.

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

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

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). Upon moving to state Y, A and B acquired a home in state Z (also a non-community property jurisdiction), 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

1 acquired stock while domiciled in state X, but held it in safety deposit boxes located in states U
2 and V (two other non-community property states). A and B also retained a summer house in
3 state X, which they acquired while domiciled there and which was titled solely in B's name. A
4 and B also acquired real property in state Z for investment purposes and held title as tenants by
5 the entireties. Finally, B acquired bonds held in B's name issued by the company that employed
6 B and acquired with earnings from B's job in state Z.

7
8 At B's death, the home in state Z and the stock located in states U and V would be
9 property subject this act, and consequently, B would have the right under this section to dispose
10 of half. The home retained in state X would be community property under the law of state X, but
11 this act applies only to real property located in the adopting state. Because the investment
12 property located in state Z was held as tenants by the entireties, it is strongly presumed that A
13 and B partitioned that property and thus made this act inapplicable to that asset. Finally, the
14 bonds held in B's name would not be subject to this act because they were acquired with
15 property earned and acquired in state Z, a non-community property state.

16
17 As this section of the act provides that property subject to this act is partly owned by the
18 surviving spouse of the decedent at the death of the decedent, subsection (d) provides property
19 held with rights of survivorship or in transfer-on-death forms are excluded from this section
20 when the property is paid or transferred to the surviving spouse. Section 7 of this act, however,
21 may still be applicable if less than a one-half interest in the property has been transferred to the
22 surviving spouse at death.

23
24 Subsection (e) makes clear that this act does not limit a surviving spouse's claim for other
25 statutory allowances, such as homestead allowances, allowances for exempt property, and family
26 allowances. See, e.g., Unif. Prob. Code §§ 2-402, 2-403, and 2-404.

27 28 **SECTION 7. OTHER REMEDIES AVAILABLE AT DEATH.**

29 (a) At the death of an individual, the surviving spouse or a personal representative, heir,
30 or nonprobate transferee of the decedent may assert a right with respect to property to which this
31 [act] applies based on an act of:

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

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

34 (b) In determining remedies under subsection (a), a court shall apply equitable principles
35 and, in its discretion, consider the community property law of the jurisdiction where the decedent
36 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.

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.

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

Subsection (b) provides that a court in evaluating a claim under subsection (a) should be “guided ... by” to the law of the community property jurisdiction where the decedent or the surviving spouse was formerly domiciled at the time the property was acquired. The phrase “guided but not bound by” indicates that a court should look to the law of the community

1 property jurisdiction in deciding whether to recognize not only the existence of a right asserted
2 by a person under subsection (a) but also the extent and scope of the right. A court, however, is
3 not limited by this Section to proceed only in the manner or exactly as the court in a community
4 property jurisdiction would proceed. Often ascertaining the existence and scope of a right that
5 could have been asserted in a community property jurisdiction is an exceedingly difficult task
6 and could involve difficult investigations of the law of different states or foreign jurisdictions
7 from years or even decades in the past. Such laws might not be readily available to or
8 ascertainable by a court in this state, given barriers in publication and language. Thus,
9 subsection (b) is intended to encourage a court to consider the laws of the community property
10 jurisdiction but not to proceed only as a court would in that jurisdiction.

11
12 Similarly, in ascertaining the remedies associated with the right under this section, a court
13 should look to but not be bound by the law of the community property jurisdictions. Even
14 among community property jurisdictions, the remedies associated with various rights often vary
15 significantly when one spouse's interest has been unduly impaired by another spouse with
16 authority to manage or alienate community property. Although most instances of application of
17 this section will involve monetary claims against by one spouse against another, this section does
18 not limit a court's power to grant other equitable relief, which may involve recognition of rights
19 against third persons to whom property has been transferred by one spouse without authorization
20 of the other.

21
22 Equitable doctrines, such as a "constructive trust," are common remedies used by courts
23 to protect the interest of a spouse. In California, for example, a court may award a defrauded
24 spouse a percentage interest or an amount equal to a percentage interest in any asset transferred
25 in breach of a spouse's fiduciary duty. Cal. Fam. Code § 1101. In Texas, the doctrine of "fraud
26 on the community" protects one spouse when the other wrongfully depletes community property
27 through actual or constructive fraud by allowing a court to allocate other property to the
28 defrauded spouse through any legal or equitable remedy necessary, including a money judgment
29 or a constructive trust. See, e.g., Tex. Fam. Code § 7.009; *see also Osuna v. Quintana*, 993
30 S.W.2d 201 (Tex. Ct. App. Corpus Christi 1999) ("The breach of a legal or equitable duty which
31 violates the fiduciary relationship existing between spouses is termed 'fraud on the community,'
32 a judicially created concept based on the theory of constructive fraud."). In Louisiana, a spouse
33 may be awarded damages when the other spouse acted fraudulently or in bad faith. See La. Civ.
34 Code art. 2354 ("A spouse is liable for any loss or damage caused by fraud or bad faith in the
35 management of the community property."). In addition to damages and equitable relief, some
36 community property states statutorily grant courts authority to add the name of a spouse to a
37 community asset titled solely in the name of the other spouse in order to protect the interest of
38 the previously unnamed spouse. See, e.g., Cal. Fam. Code § 1101 (c); Wisc. Stat. § 766.70(3).
39 This section provides the court with broad authority to grant damages or to craft any other
40 appropriate equitable remedy necessary to protect a spouse. Available legal and equitable
41 remedies available in courts of this state may not be co-extensive with the legal and equitable
42 remedies available in the relevant community property jurisdiction. To address this divergence,
43 this section requires only that a court be "guided but not bound by" the law of the community
44 property state and thus allows courts of this state to fashion appropriate remedies available under
45 the law of this state as it sees fit.

1 This section, however, must be read in conjunction with Section 9 of this act, which
2 protects good faith transferees of property from one spouse who give value. Thus, good faith
3 transferees for value will be protected by Section 9 of this act, such that a spouse's claim for bad
4 faith management would solely be cognizable against the other spouse. If, however, one spouse
5 improperly donates or transfers property to which this act applies to a third person who is not in
6 good faith, equitable relief against a third person may, in the discretion of the court, be available
7 to the spouse whose rights are impaired. After all, improper gifts of community property by one
8 spouse are generally voidable as against a third person in community property jurisdictions. *See,*
9 *e.g., 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. RIGHT OF SURVIVING SPOUSE, HEIR, BENEFICIARY, OR**
13 **CREDITOR.**

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

16 (1) in a probate proceeding, a surviving spouse must send a demand in a record to
17 the personal representative of the decedent not later than [six months] after the appointment of
18 the personal representative, and, in the absence of such a claim, the personal representative is not
19 liable for failing to apply this [act];

20 (2) in the absence of a probate proceeding, a surviving spouse must commence an
21 action against the heirs, devisees, or nonprobate transferees of the decedent not later than [three
22 years] after the death of the decedent; and

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

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

28 (1) in a probate proceeding, an heir, devisee, or nonprobate transferee of the
29 decedent must send a demand in a record to the personal representative of the decedent not later

1 than [six months] after appointment of the personal representative;

2 (2) in the absence of a probate proceeding, an heir, devisee, or nonprobate
3 transferee of the decedent must commence an action against the surviving spouse of the decedent
4 not later than [three years] after the death of the decedent; and

5 (3) in an action to asserting a right to a nonprobate asset, an heir, devisee, or
6 nonprobate transferee of the decedent must commence an action against the surviving spouse of
7 the decedent not later than [three years] after the death of the decedent.

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

12 [(d) With respect to property to which this [act] applies, a creditor of the decedent may
13 assert a claim within the earlier of:

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

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

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

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

20 (B) within [four months] after published notice.]

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

25
26 *In Subsection (d), a state should insert or reference its existing non-claim statute with*

1 *regard to the time for asserting a creditor's claim.*

2
3 **Comment**

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

14
15 Subsection (a) of this section allows a surviving spouse to protect rights under this act
16 and provides a statute of limitation for doing so. It provides time frames for a surviving spouse
17 asserting a right under this act either in a probate proceeding (see (a)(1)) or outside the probate
18 process in the case of an action to perfect title to property, in the case of nonprobate assets, or in
19 the case no probate proceedings occur (see (a)(2)). Unless the surviving spouse acts within the
20 relevant period of time in a probate proceeding, the personal representative has no fiduciary duty
21 to investigate or to attempt to ascertain whether this act applies to any property owned by the
22 decedent.

23
24 Subsection (b) of this section allows an heir, devisee, or nonprobate transferee of the
25 decedent to protect rights under this act and provides a statute of limitation for doing so. It
26 provides time frames for asserting a right under this act either in a probate proceeding (see
27 (b)(1)) or outside the probate process in the case of an action to perfect title to property, in the
28 case of nonprobate assets, or in the case no probate proceedings occur (see (b)(2)). Unlike in
29 subsection (a) of this section, the personal representative of the decedent has an obligation to
30 attempt to ascertain whether the decedent has property rights that should be protected under this
31 act, even if no claim is asserted under subsection (b) by an heir, devisee, or nonprobate
32 transferee. See, e.g., Unif. Prob. Code §§ 3-703 (general duties) & 3-706 (duty to prepare an
33 inventory).

34
35 Subsection (c) of this section allows personal representative of the decedent to protect
36 rights under this act and provides a statute of limitation for doing so. It provides a time frame for
37 a personal representative of the decedent to recover nonprobate property or perfect title in
38 probate property after being notified by heirs or devisees that probate property is held by the
39 surviving spouse.

40
41 Subsection (d) of this section provides a time frame for creditors of the decedent to bring
42 claims. It is based upon Section 3-803 of the Uniform Probate Code, regarding the time frames
43 for creditors asserting claims in probate proceedings.
44

1 **SECTION 9. PROTECTION OF THIRD PERSON.**

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

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

5 (A) with a spouse; or

6 (B) after the death of the decedent, with a surviving spouse, personal
7 representative, heir, or beneficiary; and

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

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

12 **Comment**

13
14 This section is based upon Section 1012 of the Uniform Trust Code. Like the Uniform
15 Trust Code, this section does not define "good faith." It does, however, require that a third
16 person be without knowledge that the other party to the transaction is acting without authority
17 with respect to property to which this act applies. For a definition of knowledge, see Unif. Trust
18 Code § 104. Moreover, this section makes clear that a person dealing with another party is not
19 charged with a duty to inquire as to the extent of the property of the exercise of the purported
20 power or authority of that party. This section, like the Uniform Trust Code, acknowledges that a
21 definition of good faith that is consistent with a state's commercial statutes, such as Section 1-
22 201 of the Uniform Commercial Code, would be consistent with the purpose of this section.
23 This section should be read in conjunction with Section 7 of this act, which provides that courts
24 retain the ability at the death of one spouse to grant equitable relief to the other for actions that
25 have impaired rights granted by this act.

26
27 This section protects third persons in two different situations. First, during life, both
28 spouses may engage in a variety of transactions with third parties concerning the property to
29 which this act applies. This section protects third persons who deal with either spouse
30 concerning property to which this act applies, provided the third person gives value, is in good
31 faith, and does not have knowledge that the spouse who is a party to the transaction is improperly
32 exercising authority over property. Although third persons are ordinarily allowed to deal with a
33 spouse who has apparent title concerning a marital asset during the existence of the marriage, no
34 good reason could be found for protecting bad faith third parties with knowledge of the
35 commission of fraud on the rights of the other spouse. For example, if A retitles community

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. TRANSITIONAL AND SAVING PROVISIONS.**

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

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

5 **Comment**

6 This act is intended to have the widest possible effect within constitutional limitations.
7 Specifically, this act applies to the property of a decedent who dies before the enactment of this
8 act, unless a court determines otherwise under the provisions of this section. This act cannot be
9 fully retroactive, however. Constitutional limitations preclude retroactive application of rules of
10 construction to alter vested property rights. Also, rights already barred by a statute of limitation
11 or rule under former law are not revived by a possibly longer statute or more liberal rule under
12 this act. Nor is an act done before the effective date of this act affected by the act's enactment.
13

14 The amendment to this section is generally based upon Section 8-101 of the Uniform
15 Probate Code and Section 1106 of the Uniform Trust Code.
16

17 **[SECTION 13. REPEAL.** The [Uniform Disposition of Community Property Rights at
18 Death Act] is repealed.]

19 ***Legislative Note:*** *A state should repeal its existing Uniform Disposition of Community Property*
20 *Rights at Death Act, or comparable legislation, to be replaced by this act.*
21

22 **Comment**

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

26 **SECTION 14. EFFECTIVE DATE.** This [act] takes effect