REAL PROPERTY TRANSFER ON DEATH ACT

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REAL PROPERTY TRANSFER ON DEATH ACT

WITH PREFATORY AND REPORTER’S NOTES

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NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

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REAL PROPERTY TRANSFER ON DEATH ACT

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REAL PROPERTY TRANSFER ON DEATH ACT

Reporter’s General Prefatory Note

One of the main innovations in the property law of the twentieth century has been the development of will substitutes for the transfer of property at death. By these mechanisms, an owner may designate beneficiaries to receive the property at the owner’s death without waiting for probate and without the beneficiary designation needing to comply with the witnessing requirements of wills. Examples of assets that today routinely pass outside of probate include the proceeds of life insurance policies and pension plans, securities registered in transfer on death (TOD) form, and funds held in pay on death (POD) bank accounts. The National Conference of Commissioners on Uniform State Laws has been a leader in the promulgation of laws authorizing such nonprobate transfers and in harmonizing the substantive rules governing deathtime transfers whether in or out of probate.

Today, nonprobate transfers are widely accepted. The trend has largely focused on assets that are personal property, such as the assets described in the preceding paragraph. However, long-standing uniform law speaks more broadly. Section 6-101 of the Uniform Probate Code (UPC) provides: “A provision for a nonprobate transfer on death in an insurance policy, contract of employment, bond, mortgage, promissory note, certificated or uncertificated security, account agreement, custodial agreement, deposit agreement, compensation plan, pension plan, individual retirement plan, employee benefit plan, trust, conveyance, deed of gift, marital property agreement, or other written instrument of a similar nature is nontestamentary” (emphasis supplied).

A small but emerging number of jurisdictions have given fuller effect to the principle of UPC §6-101 by enacting statutes expressly authorizing the nonprobate transfer of land. This is done by permitting owners of interests in real property to execute and record transfer on death (TOD) deeds. By these deeds, the owner identifies the beneficiary or beneficiaries who will succeed to the property at the owner’s death. During the owner’s lifetime, the beneficiaries have no interest in the property, and the owner retains full power to transfer or encumber the property or to revoke the TOD deed.


This draft is for the first reading of the act at the 2008 annual meeting of the National Conference of Commissioners on Uniform State Laws in Big Sky, Montana. The draft is divided into four articles. Article 1 contains general provisions. Article 2 authorizes transfer on death deeds and addresses the formal and substantive issues concerning such deeds. Article 3 contains suggested statutory forms. Article 4 contains miscellaneous provisions. Our drafting committee welcomes comments and suggestions on all sections of the draft act, and in particular on the forms in Article 3. These are designed for readability.
After each section, a Reporter’s Note discusses the drafting of the section. These notes should be read in conjunction with the proposed statutory text.
REAL PROPERTY TRANSFER ON DEATH ACT

[ARTICLE] 1

GENERAL PROVISIONS

SECTION 101. SHORT TITLE. This act may be cited as the Real Property Transfer on Death Act.

SECTION 102. DEFINITIONS. In this act:

(1) “Beneficiary” means a person designated as a beneficiary in a transfer on death deed.

(2) “Joint owner” means an individual who owns property concurrently with one or more other individuals with a right of survivorship. The term includes a joint tenant[,,] and [an owner of community property with a right of survivorship[,][ and a tenant by the entirety]. The term does not include a tenant in common [or an owner of community property without a right of survivorship].

(3) “Person” means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(4) “Property” means an interest in real property that is transferable on the death of the owner.

(5) “Transfer on death deed” means a deed authorized under this act.

(6) “Transferor” means an individual who executes and acknowledges a recorded transfer on death deed.

Reporter’s Note
The definition in Paragraph (1) links the term “beneficiary” to the standard NCCUSL definition of “person.” The Comment will explain that the definition includes the trustee of a trust even if the trust is revocable, a rule that accords with the current transfer on death deed statutes that address the issue. For example, Ark. Code §18-12-608(c)(2) provides: “A beneficiary deed may be used to transfer an interest in real property to a trust estate even if the trust is revocable.”

Paragraph (2) provides a definition of owners who hold concurrent interests with a right of survivorship.

Paragraph (3) is a standard NCCUSL definition.

The effect of Paragraph (4) is that the Act applies to all interests in real property that are transferable at the death of the owner. See Section 201.

Paragraph (6) limits the definition of a “transferor” to an individual. The term “transferor” does not include a corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any legal or commercial entity other than an individual. The Comment will explain that the term also does not include an agent. The power of an agent to create or revoke a transfer on death deed is determined by other law, as indicated in the Comments to Sections 204 and 206.

SECTION 103. APPLICABILITY. This [act] applies to a transfer on death deed executed before, on, or after [the effective date of this [act]] by a transferor dying on or after [the effective date of this [act]].

Reporter’s Note

This section essentially tracks Uniform Probate Code §6-311, which provides that the Act “applies to registrations of securities in beneficiary form made before or after the effective date, by decedents dying on or after the effective date.”

SECTION 104. NONEXCLUSIVITY. This [act] does not affect any method of transferring property otherwise permitted under the law of this state.

Reporter’s Note

This section tracks the essence of the first part of Ark. Code §18-12-608(g)(1): “This section does not prohibit [the committee preferred “affect”] other methods of conveying property that are permitted by law and that have the effect of postponing enjoyment of an interest in real
property until the death of the owner.”
TRANSFER ON DEATH DEED

SECTION 201. TRANSFER ON DEATH DEED AUTHORIZED. An individual may transfer property to one or more beneficiaries effective at the transferor’s death by a transfer on death deed.

Reporter’s Note

This section authorizes a transfer on death deed and makes it clear that the transfer is not an inter vivos transfer. The transfer occurs at the transferor’s death.

The Comment will explain that the transferor may select any form of ownership, concurrent or successive, absolute or conditional, contingent or vested, valid under state law. Among many other things, this permits the transferor to designate one or more primary beneficiaries and one or more alternate beneficiaries to take in the event the primary beneficiaries fail to survive the transferor. This freedom to specify the form of the beneficiary’s interest comports with the fundamental principle articulated in the Restatement (Third) of Property: Wills and Other Donative Transfers §10.1 that the donor’s intention should be “given effect to the maximum extent allowed by law.” As the Restatement explains in Comment c to §10.1, “American law curtails freedom of disposition only to the extent that the donor attempts to make a disposition or achieve a purpose that is prohibited or restricted by an overriding rule of law.”

SECTION 202. TRANSFER ON DEATH DEED NONTESTAMENTARY. A transfer on death deed is nontestamentary.

Reporter’s Note

This section is based on Uniform Probate Code §6-101(a), which provides: “A provision for a nonprobate transfer on death in an insurance policy, contract of employment, bond, mortgage, promissory note, certificated or uncertificated security, account agreement, custodial agreement, deposit agreement, compensation plan, pension plan, individual retirement plan, employee benefit plan, trust, conveyance, deed of gift, marital property agreement, or other written instrument of a similar nature is nontestamentary.”

As the Comment to UPC §6-101 explains, because the mode of transfer is declared to be nontestamentary, the instrument of transfer does not have to be executed in compliance with the formalities for wills, nor does the instrument need to be probated, nor does the decedent’s personal representative have any power or duty with respect to the asset.
SECTION 203. CAPACITY OF TRANSFEROR. The capacity required to make or revoke a transfer on death deed is the same as the capacity required to make a will.

Reporter’s Note

This section is drawn from Uniform Trust Code §601: “The capacity required to create, amend, revoke, or add property to a revocable trust, or to direct the actions of the trustee of a revocable trust, is the same as that required to make a will.” The rule is consistent with the Restatement (Third) of Property: Wills and Other Donative Transfers §8.1(b), which applies the standard of testamentary capacity, and not the higher standard of capacity for inter vivos gifts, to revocable will substitutes: “If the donative transfer is in the form of a will, a revocable will substitute, or a revocable gift, the testator or donor must be capable of knowing and understanding in a general way the nature and extent of his or her property, the natural objects of his or her bounty, and the disposition that he or she is making of that property, and must also be capable of relating these elements to one another and forming an orderly desire regarding the disposition of the property.”

SECTION 204. REQUIREMENTS. A transfer on death deed must:

(1) contain the essential elements of an inter vivos deed, except as otherwise provided in paragraph (2);

(2) state that the transfer is to occur at the transferor’s death;

(3) be acknowledged by the transferor before a notary public or other individual authorized to take acknowledgments; and

(4) be recorded before the transferor’s death in the [county] where the property is located.

Reporter’s Note

Paragraph (1): The Act requires the same essential elements of a deed, other than a present intention to convey, as are required for inter vivos deeds under state law. In most jurisdictions, these elements are: identification of the parties, description of the property, and the transferor’s signature.

Paragraph (2): This requirement emphasizes the fundamental distinction between an inter vivos deed and a transfer on death deed. An inter vivos deed evidences a present intention to convey. A transfer on death deed evidences an intention that the transfer occur at the transferor’s death. Under no circumstances should a defective transfer on death deed be given effect as an inter vivos deed; to do so would violate the transferor’s intention that the transfer occur at the transferor’s death.
Paragraph (3): The requirement of acknowledgment fulfills at least four functions. First, it cautions a transferor that he or she is performing an act with legal consequences. Such caution is important where, as here, the transferor does not experience the wrench of delivery because the transfer occurs at death. Second, acknowledgment helps to prevent fraud. Third, acknowledgment facilitates the recording of the deed. Fourth, acknowledgment is important in order to implement the rule in Section 206(a)(1) that a later acknowledged deed prevails over an earlier acknowledged deed.

Paragraph (4): The rule requiring recordation before the transferor’s death is consistent with the transfer on death deed statutes that address the issue. The Comment will explain that, if the property described in the deed is in more than one county, the deed is effective only with respect to the property in the county or counties where the deed is recorded.

The Act does not define, but instead relies on other law to determine, the authority of an agent. An individual’s agent may execute a transfer on death deed on the individual’s behalf to the extent permitted by other law, such as the Uniform Power of Attorney Act.

SECTION 205. NOTICE, DELIVERY, ACCEPTANCE, CONSIDERATION NOT REQUIRED. A transfer on death deed is effective without:

(1) notice or delivery to or acceptance by the beneficiary during the transferor’s lifetime;

or

(2) consideration.

Reporter’s Note

These rules are consistent with the transfer on death deed statutes that address the issues.

SECTION 206. REVOCATION.

(a) Subject to subsection (b), a transfer on death deed is revoked by recording, before the transferor’s death, in the [county] where the property is located:

(1) the transferor’s subsequently acknowledged transfer on death deed that revokes the previously acknowledged deed expressly or by inconsistency; or

(2) the transferor’s subsequently acknowledged revocation form that revokes the previously acknowledged deed either by description of the property or by reference to the
recording information of the deed.

(b) The following rules apply to a transfer on death deed made by more than one transferor:

(1) Revocation by a transferor does not affect the deed as to the interest of another transferor.

(2) A deed made by joint owners is revoked only if it is revoked by all of the surviving joint owners.

(c) After a transfer on death deed is recorded, it may not be revoked by a physical act performed on the deed.

(d) A transfer on death deed may not be revoked or modified by will.

Reporter’s Note

Subsections (a)(1) and (a)(2) provide that a transfer on death deed can be revoked by executing, acknowledging, and recording a subsequent instrument. The Comment will explain that, if the property described in the deed is in more than one county, the revocation is effective only with respect to the property in the county or counties where the revocation is recorded. The Comment will also explain, with examples, the principle of revocation by inconsistency, drawing on the well-established law of revocation by inconsistency of wills.

Subsection (b)(1) is based on §5662(b) of the California draft statute: “A coowner may revoke the transfer on death deed as to the interest of that coowner. The revocation does not affect the transfer on death deed as to the interest of another coowner.”

Subsection (b)(2) is based on the third sentence of Ariz. Stat. §33-405(F): “If the property is owned as joint tenants with right of survivorship or community property with right of survivorship and if the revocation is not executed by all the owners, the revocation is not effective unless executed by the last surviving owner.” The rule is consistent with Uniform Probate Code §6-306, which provides in pertinent part: “A registration of a security in beneficiary form may be canceled or changed at any time by the sole owner or all then surviving owners without the consent of the beneficiary.”

Subsection (c): A Comment will explain that a physical act includes burning, tearing, canceling, obliterating, or destroying the deed or any part of it.

Subsection (d) is consistent with the transfer on death deed statutes that address the issue, and with Uniform Probate Code §6-213(b) on multiple-party bank accounts.
The Act does not define, but instead looks to other law to determine, the authority of an agent. An individual’s agent may revoke a transfer on death deed on the individual’s behalf to the extent permitted by other law, such as the Uniform Power of Attorney Act.

The Comment will mention ademption by extinction as the practical equivalent of revocation.

SECTION 207. EFFECT OF DEED DURING TRANSFEROR’S LIFETIME.

During the transferor’s lifetime, a transfer on death deed does not:

(1) affect the rights of the transferor or other owners in the property;

(2) affect the rights of creditors in the property;

(3) affect the transferor’s or beneficiary’s eligibility for any form of public assistance;

(4) create a legal or equitable right to the property in favor of the beneficiary; or

(5) make the property subject to process of the beneficiary’s creditors.

Reporter’s Note

The fundamental feature of a transfer on death deed is that it does not operate until the transferor’s death. During the transferor’s lifetime, the deed is both revocable and ambulatory, just as is a will. A transfer on death deed has no more effect during the transferor’s lifetime than a will. Thus, a transfer on death deed, during the transferor’s lifetime, does not sever a joint tenancy (Paragraph (1)). It does not affect the rights of creditors, whether secured or unsecured (Paragraph (2)). It does not affect the transferor’s or beneficiary’s eligibility for any form of public assistance, including Medicaid (Paragraph (3)). On this point, the committee specifically disapproves of the contrary approach of Colo. Rev. Stat. §15-15-403. A transfer on death deed does not create any legal or equitable right in the beneficiary (Paragraph (4)), nor does it make the property subject to process of the beneficiary’s creditors (Paragraph (5)).

SECTION 208. EFFECT OF DEED AT TRANSFEROR’S DEATH.

(a) Except as otherwise provided in this section [and in [cite state statute on antilapse, if applicable to nonprobate transfers]], on the death of the transferor, the following rules apply to property that is the subject of a transfer on death deed:

(1) The property owned by the transferor at death is transferred to the beneficiaries
that survive the transferor in accordance with the deed.

(2) Unless the deed provides otherwise, concurrent beneficiaries receive equal and undivided interests in the property with no right of survivorship among them [unless two of the beneficiaries are husband and wife, in which event they receive their interests in the property as [joint tenants][tenants by the entirety][owners of community property with right of survivorship]].

(3) If no beneficiary survives the transferor, the transfer on death deed is void.

(b) On the death of a transferor who is a joint owner, the property that is the subject of a transfer on death deed belongs to the surviving joint owner or owners, and the right of survivorship continues between or among the surviving joint owners. A transfer on death deed is effective at the death of the last surviving joint owner if that owner is a transferor on the deed.

(c) A beneficiary receives a transferor’s interest at the transferor’s death subject to all:

(1) conveyances made during the transferor’s lifetime; and

(2) encumbrances, assignments, contracts, mortgages, liens, and other interests, whether recorded and whether created before or after the recording of the transfer on death deed, to which the property is subject at the transferor’s death.

**Reporter’s Note**

Subsection (a)(2) is modeled on Uniform Probate Code §6-212 governing multiple-party accounts. There will be a Legislative Note explaining that states without tenancy by the entirety or community property with right of survivorship should delete these references in brackets. States preferring no right of survivorship between beneficiaries who are husband and wife should delete the entire bracketed material.

Subsection (b) is consistent with the majority rule, namely that the survivorship right trumps the transfer on death deed.

Subsection (c) is modeled on Colo. Rev. Stat. §15-15-407(2): “A grantee-beneficiary of a beneficiary deed takes title to the owner’s interest in the real property conveyed by the beneficiary deed at the death of the owner subject to all conveyances, encumbrances,
assignments, contracts, mortgages, liens, and other interests, affecting title to the property,  
whether created before or after the recording of the beneficiary deed, or to which the owner was  
subject during the owner’s lifetime including, but not limited to, any executory contract of sale,  
option to purchase, lease, license, easement, mortgage, deed of trust, or other lien. The grantee-  
beneficiary also takes title subject to any interest in the property of which the grantee-beneficiary  
has either actual or constructive notice.” The committee rejected the requirement of California  
draft §5652(c) that the limitation must be “of record,” because the beneficiary should merely step  
into the transferor’s shoes; the beneficiary should not be in a better position (i.e. free of  
limitations not of record) than the transferor.

The Comment will refer approvingly to In re Estate of Roloff, 143 P.3d 406 (Kan. Ct.  
App. 2006) (holding that crops should be transferred with the land under a transfer on death deed  
because this result would be reached on the same facts with any other deed).

The Comment will also address the following fact-pattern. H and W are married and own  
property as tenants by the entirety. H executes, acknowledges and records a transfer on death  
deed in favor of X. W later dies, at which point H owns the property in fee simple absolute.  
Under the law of some states, there may be a question whether the transfer on death deed is valid,  
given that H executed it when the property was owned, not by H and W, but by the marital entity.  
The transfer on death deed is effective at H’s death because the property is owned by H at H’s  
granted by one tenant by the entirety is not void upon execution but remains inchoate during the  
lives of both spouses, and becomes a valid lien if the spouse who executed the mortgage survives  
the other spouse or if the spouses get divorced). The act does not require the transferor to have an  
interest in the property when the transfer on death deed is executed, acknowledged or recorded.  
As a practical matter, however, it is unwise and may be unfeasible, especially in a recording  
system using a grantor-grantee index, to attempt to record a deed before acquiring the interest the  
deed purports to transfer.

SECTION 209. DISCLAIMER.

Alternative 1

A beneficiary may disclaim all or part of the beneficiary’s interest as provided by [cite  
state statute or the Uniform Disclaimer of Property Interests Act].

Alternative 2

Subject to the law of this state limiting the right to disclaim property, a beneficiary under  
a transfer on death deed may disclaim all or part of the beneficiary’s interest by recording a  
disclaimer in the [county] where the property that is the subject of the disclaimer is located.
End of Alternatives

Reporter’s Note

There will be a Legislative Note explaining that Alternative 1 is for a state with a disclaimer statute, such as the Uniform Disclaimer of Property Interests Act, providing a mechanism for disclaiming interests created in a transfer on death deed. The statute need not have contemplated the transfer on death deed specifically, but the statutory scheme applies, or can be readily amended to apply, to such deeds. In most cases, the only necessary amendment would be to replace the usual requirement that the disclaimer be delivered (for here, after the transferor’s death, there is no obvious individual to whom delivery can be made) with a requirement that the disclaimer be recorded in the county where the property that is the subject of the disclaimer is located. Along these lines, the committee recommends the following technical amendments to Sections 12 and 15 of the Uniform Disclaimer of Property Interests Act:

SECTION 12. DELIVERY OR FILING.

(a) In this section, “beneficiary designation” means an instrument, other than an instrument creating a trust, naming the beneficiary of:

(1) an annuity or insurance policy;
(2) an account with a designation for payment on death;
(3) a security registered in beneficiary form;
(4) a pension, profit-sharing, retirement, or other employment-related benefit plan; or
(5) any other nonprobate transfer at death.

(b) Subject to subsections (c) through (l), delivery of a disclaimer may be effected by personal delivery, first-class mail, or any other method likely to result in its receipt.

(c) In the case of an interest created under the law of intestate succession or an interest created by will, other than an interest in a testamentary trust:

(1) a disclaimer must be delivered to the personal representative of the decedent’s estate; or
(2) if no personal representative is then serving, it must be filed with a court having jurisdiction to appoint the personal representative.

(d) In the case of an interest in a testamentary trust:

(1) a disclaimer must be delivered to the trustee then serving, or if no trustee is then serving, to the personal representative of the decedent’s estate; or
(2) if no personal representative is then serving, it must be filed with a court having jurisdiction to enforce the trust.

(e) In the case of an interest in an inter vivos trust:

(1) a disclaimer must be delivered to the trustee then serving;
(2) if no trustee is then serving, it must be filed with a court having jurisdiction to enforce the trust; or
(3) if the disclaimer is made before the time the instrument creating the trust becomes irrevocable, it must be delivered to the settlor of a revocable trust or the transferor of the interest.

(f) In the case of a disclaimer of an interest created by a beneficiary
designation made before the time the designation becomes irrevocable, a the
disclaimer must be delivered to the person making the beneficiary designation.

(g) In the case of a disclaimer of an interest created by a beneficiary
designation made after the time the designation becomes irrevocable:

(1) a disclaimer of an interest in personal property must be
delivered to the person obligated to distribute the interest;

(2) a disclaimer of an interest in real property must be recorded in
the [county] where the real property that is the subject of the disclaimer is located.

(h) In the case of a disclaimer by a surviving holder of jointly held
property, the disclaimer must be delivered to the person to whom the disclaimed
interest passes.

(i) In the case of a disclaimer by an object or taker in default of exercise
of a power of appointment at any time after the power was created:

(1) the disclaimer must be delivered to the holder of the power or to
the fiduciary acting under the instrument that created the power; or

(2) if no fiduciary is then serving, it must be filed with a court having
authority to appoint the fiduciary.

(j) In the case of a disclaimer by an appointee of a nonfiduciary power of
appointment:

(1) the disclaimer must be delivered to the holder, the personal
representative of the holder's estate or to the fiduciary under the instrument that
created the power; or

(2) if no fiduciary is then serving, it must be filed with a court having
authority to appoint the fiduciary.

(k) In the case of a disclaimer by a fiduciary of a power over a trust or
estate, the disclaimer must be delivered as provided in subsection (c), (d), or (e),
as if the power disclaimed were an interest in property.

(l) In the case of a disclaimer of a power by an agent, the disclaimer must
be delivered to the principal or the principal’s representative.

Comment

The rules set forth in Section 12 are designed so that anyone who has the
duty to distribute the disclaimed interest will be notified to provide notice of the
disclaimer. For example, a disclaimer of an interest in a decedent’s estate must be
delivered to the personal representative of the estate. A disclaimer is required to
be filed in court only when there is no one person or entity to whom delivery can
be made in very limited circumstances.

SECTION 15. RECORDING OF DISCLAIMER. If an instrument
transferring an interest in or power over property subject to a disclaimer is
required or permitted by law to be filed, recorded, or registered, the disclaimer
may be so filed, recorded, or registered. Except as otherwise provided in Section
12(g)(2), failure to file, record, or register the disclaimer does not affect its
validity as between the disclaimant and persons to whom the property interest or
power passes by reason of the disclaimer.

Comment

This section permits the recordation of a disclaimer of an interest in
property ownership of or title to which is the subject of a recording system. This
section expands on the corresponding provision of previous Uniform Acts which
only referred to permissive recording of a disclaimer of an interest in real
property. While local practice may vary, disclaimants should realize that in order
to establish the chain of title to real property, and to ward off creditors and bona
fide purchasers, the disclaimer may have to be recorded. This section does not
change the law of the state governing notice. The reference to Section 12(g)(2)
concerns the disclaimer of an interest in real property created by a “beneficiary
designation” as that term is defined in Section 12(a). Such a disclaimer must be
recorded.

Alternative 2 is for a state without a disclaimer statute that can be readily amended to
apply to transfer on death deeds.

The Comment will mention the state-law doctrine of “relation back”: an effective
disclaimer typically relates back to the time of the initial transfer (here, the transferor’s death).

The Comment will also mention that a beneficiary need not disclaim before the
transferor’s death just as a devisee under the transferor’s will need not disclaim before the
transferor’s death.

SECTION 210. NO COVENANTS OR WARRANTIES. A transfer on death deed
transfers property without covenant or warranty of title even if there is a contrary provision in the
deed.

Reporter’s Note

This provision is based on §5652(d) of the California draft statute: “Notwithstanding a
contrary provision in the deed, a revocable transfer on death deed transfers the property without
covenant or warranty of title.” The rule is mandatory, not a default as in Colo. Rev. Stat. §15-15-
404(2) [“Unless the owner designates otherwise ... ”], to prevent mishaps by uninformed grantors.

SECTION 211. PROTECTION OF BONA FIDE PURCHASERS OR
ENCUMBRANCERS. A bona fide purchaser or encumbrancer to whom a beneficiary transfers
an interest in the property received under a transfer on death deed has the same rights and
protections as if the transfer had been made by a grantee of an inter vivos deed.

Reporter’s Note
The committee observed that it is hard to articulate a substantive rule on bona fide purchasers or encumbrancers (BFPs), because some jurisdictions are notice jurisdictions (protecting BFPs regardless of when the BFP files), some are race-notice jurisdictions (protecting only BFPs who file first), and a few are race jurisdictions (protecting anyone who files first). Instead, the committee decided to articulate the rule that a BFP from the beneficiary of a transfer on death deed is in the same position as a BFP in the standard inter vivos transaction.

SECTION 212. PROOF OF DEATH. Proof of the death of a transferor or a beneficiary of a transfer on death deed must be established in the same manner as proof of the death of a joint tenant [under [cite state statute]].

**Reporter’s Note**

The committee was initially uncertain whether a Uniform Act should spell out a procedure for the proof of death. The Uniform Probate Code, for example, refers in §6-223 and §6-307 to “proof of death” without elaboration.

The committee decided to incorporate the state’s existing procedures for proving the death of a joint tenant, essentially tracking Colo. Rev. Stat. §15-15-413: “Proof of the death of the owner or a grantee beneficiary shall be established in the same manner as for proving the death of a joint tenant.”

SECTION 213. PROCEEDING TO CONTEST TRANSFER ON DEATH DEED.

(a) After the transferor’s death, the transferor’s personal representative or an interested person may contest the validity of a transfer on death deed on the basis of fraud, undue influence, duress, mistake, or other invalidating cause.

(b) A contest proceeding under this section must be brought in the [ ] court in the [county] where [the administration of the transferor’s estate would be proper][the property that is the subject of the transfer on death deed is located].

(c) A contest proceeding under this section must be commenced within the earlier of:

(1) [three years] after the transferor’s death; or

(2) [one year] after the beneficiary establishes the transferor’s death.
[(d) Upon initiation of a contest proceeding, the contestant may record a notice of lis pendens in the [county] where the transfer on death deed is recorded.]

**Reporter’s Note**

The grounds of contest in subsection (a) are drawn from §5696 of the California draft statute: “Nothing in this chapter limits the application of principles of fraud, undue influence, duress, mistake, or other invalidating cause to a transfer of property by a revocable transfer on death deed.”

Subsection (b) will be accompanied by a Legislative Note explaining that the blank in brackets should be filled in, as appropriate, by each enacting state.

Subsection (c) is drawn from §§5690(c) and 5692(b) of the California draft statute. Section 5690(c) provides: “On commencement of a contest proceeding, the contestant may record a lis pendens in the county in which the revocable transfer on death deed is recorded.”

Section 5692(b) provides: “A contest proceeding shall be commenced within the earlier of the following times: (1) Three years after the transferor’s death. (2) One year after the beneficiary establishes the fact of the transferor’s death....”

Subsection (d): A Legislative Note will explain that subsection (d) is in brackets so that it can be deleted by states not using, or not wishing to refer to, the notice of lis pendens.

The Comment will emphasize that the limitations period for commencement of the contest should be the same as for other nonprobate transfer contests (if state law already provides a limitations period for such contests) or (if not) for will contests.

The Comment will also cross-reference the rule governing bona fide purchasers or encumbrancers in Section 211 and the provision on proof of death in Section 212.

**SECTION 214. LIABILITY OF A BENEFICIARY FOR CREDITOR CLAIMS AND STATUTORY ALLOWANCES.** A beneficiary of a transfer on death deed is liable for allowed claims against the transferor’s probate estate and statutory allowances to the extent provided in [cite state statute or Section 6-102 of the Uniform Probate Code].

**Reporter’s Note**

This section defers to other law, such as Uniform Probate Code §6-102, to establish the liability of a beneficiary of a transfer on death deed for creditor claims and statutory allowances. For these purposes, the committee believes as a matter of policy that a state should treat a beneficiary of a transfer on death deed the same as a beneficiary of any other nonprobate transfer
outside of trust, for example a beneficiary of a pay on death bank account. The state’s approach
to such beneficiaries should be consistent.

Uniform Probate Code §6-102 was added in 1998 to establish the principle that recipients
of nonprobate transfers can be required to contribute to pay allowed claims and statutory
allowances to the extent the probate estate is insufficient. The fundamental rule of liability is
contained in §6-102(b): “Except as otherwise provided by statute, a transferee of a nonprobate
transfer is subject to liability to any probate estate of the decedent for allowed claims against the
decedent’s probate estate and statutory allowances to the decedent’s spouse and children to the
extent the estate is insufficient to satisfy those claims and allowances. The liability of a
nonprobate transferee may not exceed the value of nonprobate transfers received or controlled by
that transferee.” The other provisions of UPC §6-102 implement this liability rule.

For states not favoring UPC §6-102 in its entirety but wishing to adopt a simple statement
of a liability rule, the drafting committee is considering providing an Alternative that would
largely track language from Uniform Trust Code §505(a)(3). This alternative would provide:
“After the transferor’s death, the property that is the subject of an effective transfer on death deed
is subject to claims of the transferor’s creditors, costs of administration of the transferor’s estate,
the expenses of the transferor’s funeral and disposal of remains, and statutory allowances to a
surviving spouse and children to the extent the transferor’s probate estate is inadequate to satisfy
those claims, costs, expenses, and allowances.”
[ARTICLE] 3

FORMS

Reporter’s Prefatory Note

These forms are drafts, designed to provide a basis for discussion. Suggestions for improving the forms are encouraged.

Legislative Note: An enacting jurisdiction should review its statutory requirements for deeds and for acknowledgments and amend the statutory forms provided in Sections 301 and 302 where necessary for conformity with those requirements.

SECTION 301. FORM OF TRANSFER ON DEATH DEED. A document substantially in the following form satisfies the requirements for a transfer on death deed under this [act]:

(front of form)

TRANSFER ON DEATH DEED

NOTICE TO OWNER

You should carefully read all information on the other side of this form. You may want to consult a lawyer before using this form.

This form must be recorded before your death, or it will not be effective.

IDENTIFYING INFORMATION

Owner or Owners Making This Deed:

_________________________________  ___________________________________________

(printed name)  (mailing address)

_________________________________  ___________________________________________

(printed name)  (mailing address)

Provide the legal description of the property:
I revoke all my previous transfer on death deeds affecting the described property, and designate the following beneficiary or beneficiaries who survive me to receive the property (in equal and undivided shares with no right of survivorship between them, unless I say otherwise in this deed):

**Primary Beneficiary or Beneficiaries – include mailing addresses if available**

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

**Alternate Beneficiary or Beneficiaries – Optional**

If no above beneficiary survives me, I designate the following alternate beneficiary or beneficiaries who survive me to receive the property (in equal and undivided shares with no right of survivorship between them, unless I say otherwise in this deed):

**Alternate Beneficiary or Beneficiaries – include mailing addresses if available**

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

**Transfer on Death**

I transfer my interest in the described property to the beneficiary or beneficiaries on my
Before my death, I have the right to revoke this deed.

SIGNATURE OF OWNER OR OWNERS MAKING THIS DEED:

_____________________________ [(SEAL)]

(signature)                    (date)

_____________________________ [(SEAL)]

(signature)                    (date)

ACKNOWLEDGMENT

[insert acknowledgment here]

(COMMON QUESTIONS ABOUT THE USE OF THIS FORM)

WHAT DOES THE TRANSFER ON DEATH (TOD) DEED DO? When you die, the beneficiaries will become owners of the property described in the TOD deed, subject to any debts or liens or mortgages (or other encumbrances) you have put on the property during your lifetime. Probate is not required. The TOD deed has no effect until you die. You can revoke it at any time. If you transfer the property to someone else during your lifetime, the beneficiary under this deed will not receive it.

HOW DO I MAKE A TOD DEED? Complete this form. Have it acknowledged before a notary public or other individual authorized to take acknowledgments. Record the form in each [county] where any part of the property is located. The form must be acknowledged and recorded before your death or it has no effect.

HOW DO I FIND THE “LEGAL DESCRIPTION” OF THE PROPERTY? This information may be on the deed you received when you became an owner of the property. This information may also be
available in the office of the [county recorder] for the [county] where the property is located. If you are not absolutely sure, consult a lawyer.

**HOW DO I “RECORD” THE TOD DEED?** Take the completed and acknowledged form to the [county recorder] for the [county] where the property is located. Follow the instructions given by the [county recorder] to make the form part of the official property records. If the property is in more than one [county], you must record the deed in each [county].

**CAN I REVOKE THE TOD DEED IF I CHANGE MY MIND?** Yes. The TOD deed is revocable.

No one, including the beneficiaries, can prevent you from revoking the deed.

**HOW DO I REVOKE THE TOD DEED?** There are two ways to revoke a recorded TOD deed:

1. Complete and acknowledge a revocation form, and record it in each [county] where the property is located.
2. Complete and acknowledge a new TOD deed that disposes of the same property, and record it in each [county] where the property is located. In addition, you can transfer the property to someone else during your lifetime.

**I AM BEING PRESSURED TO COMPLETE THIS FORM. WHAT SHOULD I DO?** Do not complete this form under pressure. Seek help from a trusted family member, a friend, or a lawyer.

**DO I NEED TO TELL THE BENEFICIARIES ABOUT THE TOD DEED?** No, but it is recommended. Secrecy can cause later complications and might make it easier for others to commit fraud.

**WHAT IF I NAME MORE THAN ONE BENEFICIARY?** You may name more than one beneficiary. Unless you say otherwise in the deed, the primary beneficiaries who survive you (or if none survives you, the alternate beneficiaries) will become co-owners in equal shares.

**Reporter’s Note**

This form is based on the California proposed form, with modifications.
SECTION 302. FORM OF REVOCATION.

A document substantially in the following form satisfies the requirements for a form of revocation under this [act].

(front of form)

REVOCATION OF TRANSFER ON DEATH DEED

NOTICE TO OWNER

This revocation must be recorded before you die or it will not be effective. This revocation is effective only as to the interests in the property of owners who sign this revocation.

IDENTIFYING INFORMATION

Owner or Owners of Property Making This Revocation:

_________________________ _______________________________
(printed name) (mailing address)

_________________________ _______________________________
(printed name) (mailing address)

Provide either (1) the legal description of the property or (2) the recording information of the transfer on death deed:

_________________________
_________________________
_________________________
_________________________

REVOCATION

I revoke all my previous transfer on death deeds affecting this property.

SIGNATURE OF OWNER OR OWNERS MAKING THIS REVOCATION
ACKNOWLEDGMENT

[insert acknowledgment here]

(COMMON QUESTIONS ABOUT THE USE OF THIS FORM)

HOW DO I USE THIS FORM TO REVOKE A TRANSFER ON DEATH (TOD) DEED?

Complete this form. Have it acknowledged before a notary public or other individual authorized to take acknowledgments. Record the form in each [county] where the property is located. The form must be acknowledged and recorded before your death or it has no effect.

HOW DO I FIND THE “LEGAL DESCRIPTION” OF THE PROPERTY OR THE “RECORDING INFORMATION” OF THE TOD DEED TO BE REVOKED?

This information may be on the TOD deed. It may also be available in the office of the [county recorder] for the [county] where the property is located. If you are not absolutely sure, consult a lawyer.

HOW DO I “RECORD” THE FORM?

Take the completed and acknowledged form to the [county recorder] for the [county] where the property is located. Follow the instructions given by the [county recorder] to make the form part of the official property records. If the property is located in more than one [county], you must record the deed in each of those [counties].

I AM BEING PRESSURIZED TO COMPLETE THIS FORM. WHAT SHOULD I DO?

Do not complete this form under pressure. Seek help from a trusted family member, a friend, or a lawyer.

Reporter’s Note
This form is based on the form in Section 301.
[ARTICLE] 4

MISCELLANEOUS PROVISIONS

SECTION 401. UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among the states that enact it.

Reporter’s Note

This provision is standard in all uniform acts.

SECTION 402. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This [act] modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001, et. seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

Reporter’s Note

The NCCUSL Drafting Rules state: “If an act contains a provision requiring a notice or other record or a signature, whether electronic or written, [this] section should be included” (emphasis supplied).

A Legislative Note will explain that jurisdictions with the Uniform Electronic Transactions Act do not need this section.

SECTION 403. REPEALS. The following acts and parts of acts are hereby repealed:

(1) ........................................

(2) ........................................

(3) ........................................
There will be a Legislative Note, either here or at the beginning of the Act, drawing states’ attention to the growing harmonization of the rules governing probate and nonprobate transfers. The Legislative Note will encourage states enacting this Act to consider extending probate rules to transfer on death deeds and other nonprobate transfers, with respect to the following: (1) ademption of specific devises; (2) antilapse; (3) revocation by divorce; (4) revocation by homicide (also known as the “slayer rule”); (5) survivorship and “simultaneous death”; and (6) the elective share of a surviving spouse.

SECTION 404. EFFECTIVE DATE. This [act] takes effect .......................