

New Transfer on Death-Deed Legislation Signed into Law - Assembly Bill 139

Legislation creating a non-probate method for conveying interest in real property upon death, Assembly Bill 139, has been signed into law by Governor Brown. The new law, which accomplishes the transfer by means of a revocable transfer upon death deed (RTDD), becomes effective January 1, 2016. The RTDD automatically transfers ownership of the property – defined to include 1-4 residential units, a condominium, or agricultural land of 40 acres or less – upon the death of the owner, and must contain a legal description. A RTDD may only be revoked by a recorded document.

The new law makes the RTDD effective for any transferor who dies on or after January 1, 2016, regardless of when the RTDD was executed or recorded. No RTDD may be executed on or after January 1, 2021, which is when the new law is scheduled to be repealed (unless extended by the legislature prior to that date); however, any RTDD properly executed before that date remains valid and may also be revoked after that date. To be valid, the deed must be recorded within 60 days of execution. The deed is only effective at death and does not affect any ownership rights during the transferor's lifetime.

For question on this new bill see your Estate Planner or Attorney for more information.



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