

2015 -- H 5768

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO PROPERTY - ESTATES IN REAL PROPERTY

Introduced By: Representative Donald J. Lally

Date Introduced: February 26, 2015

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 34-4 of the General Laws entitled "Estates in Real Property" is
2 hereby amended by adding thereto the following section:

3 **34-4-30. Conveyance to or by nominee trust.** – (a) Notwithstanding the provisions of §
4 34-4-27, title to real estate conveyed to a nominee trust or to the trustee of a nominee trust and
5 conveyances of real estate by a trustee of a nominee trust are not on that account defective, and
6 the conveyance shall be deemed valid so long as the following shall have occurred:

7 (1) A memorandum of trust pursuant to § 34-4-27 shall have been properly prepared and
8 recorded; and

9 (2) The trustee of the nominee trust shall include in the memorandum of trust, a statement
10 to the effect that the trustee has received the consent of each of the beneficiaries authorizing the
11 action of the trustee as required by the nominee trust.

12 (b) A trustee executing a memorandum of trust and representing that he/she/it has
13 obtained the consent of the beneficiaries shall be subject to personal liability to each of the
14 beneficiaries as well as the grantees and grantees' successors and/or assigns under the instrument
15 purported to be executed with the consent of the beneficiaries, in the event such consent was not
16 obtained.

17 (c) A nominee trust is defined as a trust in which the trustee(s) is/are not granted
18 discretionary authority to act without the consent, concurrence, or direction of the beneficiaries.

19 SECTION 2. This act shall take effect upon passage and shall have both prospective and

1 retroactive effect.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PROPERTY - ESTATES IN REAL PROPERTY

1 This act would allow conveyances to and from nominee trusts pursuant to certain
2 requirements regarding the preparation and recording of a memorandum of trust.

3 This act would take effect upon passage and would have both prospective and retroactive
4 effect.

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