

2014 -- H 7301

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO PROPERTY - ESTATES IN REAL PROPERTY

Introduced By: Representatives Keable, and Lally

Date Introduced: January 30, 2014

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, conveyances of real estate 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 defective, and the conveyance
6 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 that the trustee has received the consent of each of the beneficiaries authorizing the action of the
11 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 the grantees' successors and/or assigns under the
15 instrument purported to be executed with the consent of the beneficiaries, in the event such
16 consent was not 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.

1 SECTION 2. This act shall take effect upon passage, and shall have 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 retroactive effect.

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