

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1714

By: Kinnamon of the House

and

Hooper of the Senate

COMMITTEE SUBSTITUTE

(Transfers to minors - amending 58 O.S., Sections 1201,
1202, 1210, 1221 and 1223 - Oklahoma Uniform Transfers
to Minors Act -

effective date)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 58 O.S. 1991, Section 1201, is amended to read as follows:

Section 1201. Sections ~~4~~ 1201 through ~~26~~ 1225 of this ~~act~~ title shall be known and may be cited as the "Oklahoma Uniform Transfers to Minors Act".

SECTION 2. AMENDATORY 58 O.S. 1991, Section 1202, is amended to read as follows:

Section 1202. As used in the Oklahoma Uniform Transfers to Minors Act:

1. "Adult" means an individual who has attained the age of ~~eighteen (18)~~ twenty-one (21) years.

2. "Benefit plan" means an employer's plan for the benefit of an employee or partner.

3. "Broker" means a person lawfully engaged in the business of effecting transactions in securities or commodities for the person's own account or for the account of others.

4. "Guardian" means a person appointed or qualified by a court to act as guardian of the estate or of the person and the estate.

5. "Court" means the district court of this state in the county where the minor resides, or, if the minor is not a resident of this state, the district court of this state in the county where the custodian resides or has his principal place of business.

6. "Custodial property" means:

- a. any interest in property transferred to a custodian pursuant to the provisions of the Oklahoma Uniform Transfers to Minors Act, and
- b. the income from and proceeds of that interest in property.

7. "Custodian" means a person so designated pursuant to ~~the provisions of~~ Section ~~10~~ 1210 of this ~~act~~ title or a successor or substitute custodian designated pursuant to ~~the provisions of~~ Section ~~19~~ 1219 of this ~~act~~ title.

8. "Financial institution" means a bank, trust company, savings institution, or credit union, chartered and supervised according to state or federal law.

9. "Legal representative" means an individual's personal representative, conservator, or guardian.

10. "Member of the minor's family" means the minor's parent, stepparent, spouse, grandparent, brother, sister, uncle, or aunt, whether of the whole or half blood or by adoption.

11. "Minor" means an individual who has not attained the age of ~~eighteen (18)~~ twenty-one (21) years.

12. "Person" means an individual, corporation, organization, or other legal entity.

13. "Personal representative" means an executor, administrator, successor personal representative, or special administrator of a decedent's estate, or a person legally authorized to perform substantially the same functions.

14. "State" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession subject to the legislative authority of the United States.

15. "Transfer" means a transaction that creates custodial property pursuant to ~~the provisions of~~ Section ~~10~~ 1210 of this ~~act~~ title.

16. "Transferor" means a person who makes a transfer pursuant to the provisions of the Oklahoma Uniform Transfers to Minors Act.

17. "Trust company" means a financial institution, corporation, or other legal entity, authorized to exercise general trust powers.

SECTION 3. AMENDATORY 58 O.S. 1991, Section 1210, is amended to read as follows:

Section 1210. A. Custodial property is created and a transfer is made whenever:

1. An uncertificated security or a certificated security in registered form is either:

- a. registered in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act"; or
- b. delivered if in certificated form, or any document necessary for the transfer of an uncertificated security is delivered, together with any necessary endorsement to an adult other than the transferor or to a trust company as custodian, accompanied by an instrument in substantially the form set forth in subsection B of this section; or

2. Money is paid or delivered or a security held in the name of a broker, financial institution, or its nominee is transferred to a broker or financial institution for credit to an account in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act". Money paid or delivered to a financial institution as prescribed in this paragraph also may be deposited using the terms "Payable on Death" or "P.O.D.", in which case, such deposits shall be payable on the designated minor's death to

a trust designated in the deposit account agreement as the "P.O.D." beneficiary, or to an individual named beneficiary if living and if not, to the named beneficiary's estate, notwithstanding any provision to the contrary contained in Sections 41 through 57 of Title 84 of the Oklahoma Statutes; or

3. The ownership of a life or endowment insurance policy or annuity contract is either:

a. registered with the issuer in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act"; or

b. assigned in a writing delivered to an adult other than the transferor or to a trust company whose name in the assignment is followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act"; or

4. An irrevocable exercise of a power of appointment or an irrevocable present right to future payment under a contract is the subject of a written notification delivered to the payor, issuer, or other obligor that the right is transferred to the transferor, an adult other than the transferor, or a trust company, whose name in the notification is followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act"; or

5. An interest in real property is recorded in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act"; or

6. A certificate of title issued by a department or agency of a state or of the United States which evidences title to tangible personal property is either:

- a. issued in the name of the transferor, an adult other than the transferor, or a trust company, followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act"; or
- b. delivered to an adult other than the transferor or to a trust company, endorsed to that person followed in substance by the words: "as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act"; or

7. An interest in any property not described in paragraphs 1, 2, 3, 4, 5 and 6 is transferred to an adult other than the transferor or to a trust company by a written instrument in substantially the form set forth in subsection B of this section.

B. An instrument in the following form satisfies the requirements of subparagraph b of paragraph 1 and paragraph 7 of subsection A of this section:

"TRANSFER UNDER THE OKLAHOMA UNIFORM TRANSFERS TO MINORS ACT

I, _____ (name of transferor or name and representative capacity if a fiduciary) hereby transfer to _____ (name of custodian), as custodian for _____ (name of minor) under the Oklahoma Uniform Transfers to Minors Act, the following: (insert a description of the custodial property sufficient to identify it).

Dated: _____

 (Signature)

_____ (name of custodian) acknowledges receipt of the property described above as custodian for the minor named above under the Oklahoma Uniform Transfers to Minors Act.

Dated: _____

 (Signature of Custodian)

C. A transferor shall place the custodian in control of the custodial property as soon as practicable.

SECTION 4. AMENDATORY 58 O.S. 1991, Section 1221, is amended to read as follows:

Section 1221. The custodian shall transfer in an appropriate manner the custodial property to the minor ~~or to~~, the minor's estate, or the minor's beneficiary as prescribed in paragraph 2 of subsection A of Section 1210 of this title upon the earlier of:

1. The minor's attainment of ~~eighteen (18)~~ twenty-one (21) years of age with respect to custodial property transferred pursuant to the provisions of Section ~~5 1205~~ or ~~6 1206~~ of this ~~act~~ title, except that any transferor may have custodial property transferred to the minor at any time after the age of eighteen (18) years and before twenty-one (21) years by a designation in the following words or their equivalent: "The custodian shall transfer this property to _____ (name of minor) when _____ (he or she) reaches the age of _____ (age, after eighteen (18) years and before twenty-one (21) years, at which transfer takes place)."; or

2. The minor's attainment of majority pursuant to the laws of this state with respect to custodial property transferred pursuant to the provisions of Section ~~7 1207~~ or ~~8 1208~~ of this ~~act~~ title;

or

3. The minor's death.

SECTION 5. AMENDATORY 58 O.S. 1991, Section 1223, is amended to read as follows:

Section 1223. A. Any transfer of custodial property as that term is defined in the Oklahoma Uniform Transfers to Minors Act made before the effective date of this act is validated although there was no specific authority in the Oklahoma Uniform Gifts to Minors Act for the coverage of custodial property of that kind or for a transfer from that source at the time the transfer was made.

B. The Oklahoma Uniform Transfers to Minors Act applies to all transfers made before the effective date of this act in a manner and form prescribed in the Oklahoma Uniform Gifts to Minors Act, except insofar as the application impairs constitutionally vested rights or extends the duration of custodianships in existence on the effective date of this act.

C. A transfer that purports to be made and which is valid under the Uniform Transfers to Minors Act, the Uniform Gifts to Minors Act, or a substantially similar act, of another state is governed by the law of the designated state and may be executed and is enforceable in this state if at the time of the transfer, the transferor, the minor, or the custodian is a resident of the designated state or the custodial property is located in the designated state.

D. With respect to the age of a minor for whom custodial property is held under the Oklahoma Uniform Transfers to Minors Act, paragraphs 1 and 11 of Section 1202 and paragraph 1 of Section 1221 of this title do not apply to custodial property held in a custodianship which terminated because of the minor's attainment of the age of eighteen (18) years after November 1, 1986 and before September 1, 1993.

SECTION 6. This act shall become effective September 1, 1993.

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