

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 SENATE BILL 1505

By: Daniels

6 AS INTRODUCED

7 An Act relating to trust administration; creating the
8 Oklahoma Non-Judicial Transfer of Trust Act;
9 providing short title; establishing validity of
10 certain trust terms; authorizing transfer of
11 principal place of administration of a trust under
12 certain circumstances; establishing notice
13 requirements; requiring termination of transfer upon
14 certain objection; authorizing certain transfer of
15 trust property; defining term; allowing waiver of
16 right to certain notice; providing for codification;
17 and providing an effective date.

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 175.801 of Title 60, unless
21 there is created a duplication in numbering, reads as follows:

22 SHORT TITLE

23 This act shall be known and may be cited as the "Oklahoma Non-
24 Judicial Transfer of Trust Act."

25 SECTION 2. NEW LAW A new section of law to be codified
26 in the Oklahoma Statutes as Section 175.802 of Title 60, unless
27 there is created a duplication in numbering, reads as follows:

PRINCIPAL PLACE OF ADMINISTRATION AND NON-JUDICIAL TRANSFER OF
TRUST

A. In addition to other means allowed by law for establishing a sufficient connection with a designated jurisdiction, terms of a trust designating the principal place of administration are valid and controlling if:

1. A corporate or trust company trustee's principal place of business is located in or a trustee is a resident of the designated jurisdiction; or

2. All or part of the administration occurs in the designated jurisdiction, including, but not limited to, physical maintenance of trust records or preparation of trust income tax returns.

B. Notwithstanding any other provision of law, a trustee of a trust that is not subject to the jurisdiction of a court of this state may transfer the principal place of administration of the trust to another state or to a jurisdiction outside of the United States without beneficiary or court approval if expressly authorized by the trust terms.

C. Subject to the authority of a court of competent jurisdiction to order, approve or disapprove a transfer, if the terms of a trust do not expressly authorize a transfer as provided in subsection B of this section, the trustee may transfer the trust's principal place of administration to another state or to a jurisdiction outside of the United States if the trustee provides

1 notice to the qualified beneficiaries of the trust of a proposed
2 transfer of the trust's principal place of administration not less
3 than sixty (60) calendar days before initiating the transfer. The
4 notice of proposed transfer shall include:

5 1. The name of the jurisdiction to which the principal place of
6 administration is to be transferred;

7 2. The address and telephone number at the new location at
8 which the trustee can be contacted;

9 3. An explanation of the reasons for the proposed transfer;

10 4. The date on which the proposed transfer is anticipated to
11 occur; and

12 5. The date, not less than sixty (60) days after the giving of
13 the notice, by which the qualified beneficiary shall notify the
14 trustee of an objection to the proposed transfer.

15 D. The authority of a trustee to complete a proposed transfer
16 of a trust's principal place of administration shall terminate if a
17 qualified beneficiary notifies the trustee of an objection to the
18 proposed transfer on or before the date specified in the notice
19 required in subsection C of this section.

20 E. Notwithstanding any other provision of law,
21 the trustee may transfer some or all of the trust property to a
22 successor trustee designated in the terms of the trust or appointed
23 pursuant to a court order upon an approved transfer of a trust's
24 principal place of administration.

1 F. For purposes of this section, the term "qualified
2 beneficiary" means a beneficiary who, on the date the beneficiary's
3 qualification is determined,:

4 1. Is a distributee or permissible distributee of trust income
5 or principal;

6 2. Would be a distributee or permissible distributee of trust
7 income or principal if the interests of the distributees described
8 in paragraph 1 of this subsection terminated on such date without
9 causing the trust to terminate; or

10 3. Would be a distributee or permissible distributee of trust
11 income or principal if the trust terminated on such date.

12 SECTION 3. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 175.803 of Title 60, unless
14 there is created a duplication in numbering, reads as follows:

15 METHODS AND WAIVER OF NOTICE

16 Notice required under Section 2 of this act shall be
17 accomplished in a manner reasonably suitable under the circumstances
18 and likely to result in receipt of the notice by the intended
19 recipient. Permissible methods of notice include first-class mail,
20 personal delivery, delivery to the person's last known place of
21 residence or place of business, or a properly directed electronic
22 message. A trustee shall not be required to provide notice required
23 by this act to a person whose identity or location is unknown to and
24 not reasonably ascertainable by the trustee. The right to receive

1 notice under this act may be waived by the person to be notified.
2 Notice of a judicial proceeding related to the trust or trust
3 property shall be given as required by law.

4 SECTION 4. This act shall become effective November 1, 2018.

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