

House Bill 2629

Sponsored by Representative HICKS (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides for automatic termination of revocable trust when settlor is divorced or settlor's marriage is annulled, if trust names settlor and settlor's former spouse as sole cotrustees and sole primary beneficiaries.

A BILL FOR AN ACT

1
2 Relating to termination of revocable trust upon change of marital status; creating new provisions;
3 and amending ORS 130.535.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 130.535 is amended to read:

6 130.535. (1) Unless otherwise provided by the terms of the trust instrument, a settlor's divorce
7 or the annulment of the settlor's marriage, after the trust instrument is executed:

8 (a) Revokes all provisions of the trust in favor of the former spouse of the settlor;

9 (b) Revokes all powers of appointment, general or nongeneral, in the trust that are exercisable
10 by the former spouse; and

11 (c) Revokes any provision in the trust naming the former spouse as trustee.

12 (2) Unless otherwise provided by the terms of the trust instrument, a trust shall be construed
13 as though the former spouse predeceased the settlor if, after the trust instrument is executed, the
14 settlor divorces the spouse or the marriage of the settlor to the spouse is annulled.

15 **(3) Notwithstanding subsections (1) and (2) of this section and ORS 130.195 and 130.505,**
16 **a revocable trust is terminated, unless otherwise provided by the terms of the trust instru-**
17 **ment, upon the settlor's divorce or the annulment of the settlor's marriage after the trust**
18 **instrument is executed, if the trust names the settlor and the former spouse of the settlor**
19 **as sole cotrustees and sole primary beneficiaries of the trust.**

20 **SECTION 2.** The amendments to ORS 130.535 by section 1 of this 2013 Act apply to
21 revocable trusts when the settlor is divorced or the settlor's marriage is annulled on or after
22 the effective date of this 2013 Act.

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NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.