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HOUSE BILL NO. 1319

House Amendments in [] - February 8, 2006

A BILL to amend and reenact § 55-20.2 of the Code of Virginia, relating to property owned as tenants by the entireties being transferred into trusts.

Patron Prior to Engrossment—Delegate Morgan

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That § 55-20.2 of the Code of Virginia is amended and reenacted as follows:

§ 55-20.2. Tenants by the entireties in real and personal property; certain trusts.

A. Any husband and wife may own real or personal property as tenants by the entireties. Personal property may be owned as tenants by the entireties whether or not the personal property represents the proceeds of the sale of real property. An intent that the part of the one dying should belong to the other shall be manifest from a designation of a husband and wife as "tenants by the entireties" or "tenants by the entirety."

B. ~~The principal family residence~~ Any property of a husband and wife that is held by them as tenants by the entireties and conveyed to their joint revocable or irrevocable [~~trust~~ trusts], or ~~in equal shares~~ to their separate revocable or irrevocable trusts, shall have the same immunity from the claims of their separate creditors as it would if it had remained a tenancy by the entirety, so long as (i) they remain husband and wife, (ii) it continues to be held in the trust or trusts, and (iii) it continues to be their ~~principal family residence~~ property.

ENGROSSED

HB1319E