

2007 SESSION

INTRODUCED

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HOUSE BILL NO. 2836

Offered January 10, 2007

Prefiled January 10, 2007

A *BILL to amend and reenact § 55-546.04 of the Code of Virginia, relating to the validity of a revocable trust.*

Patron—Peace

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That § 55-546.04 of the Code of Virginia is amended and reenacted as follows:

§ 55-546.04. Limitation on action contesting validity of revocable trust; distribution of trust property.

A. A person may commence a judicial proceeding to contest the validity of a trust that was revocable at the settlor's death within the earlier of:

1. Two years after the settlor's death; or

2. Six months after the trustee sent the person a copy of the trust instrument and a notice informing the person of the trust's existence, of the trustee's name and address, and of the time allowed for commencing a proceeding.

B. Upon the death of the settlor of a trust that was revocable at the settlor's death, the trustee may proceed to distribute the trust property in accordance with the terms of the trust. The trustee is not subject to liability for doing so unless:

1. The trustee knows of a pending judicial proceeding contesting the validity of the trust; or

2. A potential contestant has notified the trustee of a possible judicial proceeding to contest the trust and a judicial proceeding is commenced within 60 days after the contestant sent the notification.

3C. A beneficiary of a trust that is determined to have been invalid is liable to return any distribution received.

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