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SENATE BILL NO. 1307

Offered January 9, 2019

Prefiled January 7, 2019

A *BILL to amend and reenact §§ 64.2-1908 and 64.2-1919 of the Code of Virginia, relating to the Uniform Transfers to Minors Act; age 25.*

Patron—Edwards

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That §§ 64.2-1908 and 64.2-1919 of the Code of Virginia is amended and reenacted as follows:

§ 64.2-1908. Manner of creating custodial property and effecting transfer; designation of initial custodian; control.

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 Virginia 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.

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 Virginia Uniform Transfers to Minors Act."

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 Virginia 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 Virginia Uniform Transfers to Minors Act."

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 Virginia Uniform Transfers to Minors Act."

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 Virginia Uniform Transfers to Minors Act."

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 Virginia 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 Virginia Uniform Transfers to Minors Act."

7. An interest in any property not described in subdivisions 1 through 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.

Nothing in this subsection shall be deemed to prohibit the creation or transfer of custodial property from a personal representative, trustee, or conservator to himself as custodian pursuant to §§ 64.2-1904, 64.2-1905, and 64.2-1906.

B. An instrument in the following form satisfies the requirements of subdivisions A 1 b and A 7.

TRANSFER UNDER THE VIRGINIA UNIFORM TRANSFERS TO MINORS ACT

INTRODUCED

SB1307

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

63 Dated: _____

64 _____ (Signature)

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

67 Dated: _____

68 _____ Signature of Custodian)

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

70 D. A transferor who transfers property to an individual under the age of 21 years pursuant to
71 § 64.2-1903 or 64.2-1904 may expressly provide that the custodian shall deliver, convey, or pay the
72 property to the individual on the individual's attaining the age of 21 by inclusion of the parenthetical
73 "(21)" after the words "Virginia Uniform Transfers to Minors Act" or substantially similar language. In
74 such case, the word "minor" as used in this chapter shall mean an individual who has not attained the
75 age of 21 years.

76 E. A transferor who transfers property on or after July 1, 2019, to an individual under the age of 21
77 years pursuant to § 64.2-1903 or 64.2-1904 may expressly provide that the custodian shall deliver,
78 convey, or pay the property to the individual on the individual's attaining the age of 25 by inclusion of
79 the parenthetical "(25)" after the words "Virginia Uniform Transfers to Minors Act" or substantially
80 similar language. In such case, the word "minor" as used in this chapter shall mean an individual who
81 has not attained the age of 25 years.

82 **§ 64.2-1919. Termination of custodianship.**

83 ~~The~~ A. Except as provided in subsection B, the custodian shall transfer the custodial property to the
84 minor or to the minor's estate in an appropriate manner upon the earlier of:

85 1. The minor's attainment of 18 years of age or if the transfer was made as provided in subsection D
86 or E of § 64.2-1908, the minor's attainment of 21 or 25 years of age, as applicable; or

87 2. The minor's death.

88 B. If the custodial property is transferred by irrevocable gift or the exercise of an inter vivos general
89 power of appointment in the manner provided in subsection E of § 64.2-1908, for delivery, conveyance,
90 or payment to the minor upon the minor's attaining the age of 25 years, the custodian shall nevertheless
91 transfer the custodial property to the minor upon the minor's attaining the age of 21 years if the minor
92 delivers a written request therefor to the custodian. A request under this subsection shall be valid only if
93 it is delivered to the custodian during the period beginning 30 days before the date on which the minor
94 attains the age of 21 years and ending 30 days after the later of (i) the date on which the minor attains
95 the age of 21 years or (ii) the date on which the custodian delivers written notice to the minor of the
96 minor's right to terminate the custodianship pursuant to this subsection.