

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB517

Hearing Date: Friday February 10, 2017
Committee On: Judiciary
Introducer: Pansing Brooks
One Liner: Change provisions regarding transfer of property upon death

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Baker, Ebke, Halloran, Hansen, Krist, Morfeld, Pansing Brooks
Nay:		
Absent:	1	Senator Chambers
Present Not Voting:		

Verbal Testimony:

Proponents:

Senator Patty Pansing Brooks
Susan Spahn

Representing:

Introducer
Nebraska State Bar Association

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 517 seeks to make changes to the Nebraska Uniform Probate Code to update provisions related to the effect a divorce or annulment would have on the probate estate. The bill would do this by adding sections of the most recent version of the Uniform Probate Code to Nebraska law, which currently reflects a previous version.

Section 1 amends Neb. Rev. Stat. Sec. 30-2333 to provide definitions for, and circumstances under which, a divorce or annulment of marriage impact a trust beneficiary.

It begins by providing definitions of terms, including definitions of what constitutes a beneficiary in a governing instrument, a beneficiary of a trust, whether charitable or otherwise, as well as a beneficiary of an insurance or annuity policy, or an individual designated as a payable-on-death beneficiary. Other definitions provided include definitions for a disposition or appointment of property, a divorce or annulment, a divorced individual, a governing instrument, joint tenants with right of survivorship, a payor, a relative of a divorced individual's former spouse, or revocable. It is worth noting that the definition of divorce or annulment does not include a decree of separation that does not terminate the status of husband and wife.

Section 1 continues by providing that a divorce or annulment of marriage has the effect of revoking any revocable disposition of property in a governing instrument, a general or non-general power of appointment on the divorced individual's former spouse or on a relative of the divorced individual's former spouse, and any nomination of the former spouse or a relative of the former spouse to serve in a fiduciary or representative capacity.

A divorce or annulment would also have the effect of severing the interests of the spouses in property held as joint

tenants with rights of survivorship, and would transform the interests into equal tenancies in common. The bill makes clear that any such severance would not affect any third-party interest in the property without first having proper precautions taken.

Section 1 would also allow for the revival of any revoked provisions in the event the individual remarries his or her former spouse or in the event the divorce or annulment is nullified.

Section 2 cleans up language in Neb. Rev. Stat. Sec. 30-2353.

Section 3, 4, 5, 6, 7, and 8 add a references to Sec. 30-2333 (as amended by LB 517) to other provisions in statute to clarify its application.

Laura Ebke, Chairperson