

GREEN SHEET REDIGEST

HB 687

2015 Regular Session

Hazel

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**TRUSTS: Provides relative to the recordation of trust extracts**

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DIGEST

**Abstract:** Requires any limitation on the power of the trustee to sell, lease, or mortgage immovable property to be included in the trust extract, and provides certain requirements as to the conveyance of property owned by the trust when the date of termination of the trust is not discernable.

Proposed law provides that if the date of termination is not discernable on the face of the recorded trust agreement or extract of trust, the termination of the trust shall not cause the provisions of the trust relative to the transfer of immovable property owned by the trust to effect third persons until an act evidencing such termination has been recorded in the conveyance records of the clerk of court of the parish in which the immovable property is located.

Present law requires that an extract of trust recorded in the mortgage and conveyance records shall be executed by either the settlor or the trustee and include certain information.

Proposed law retains present law and requires any limitation or restriction on the power of the trustee to sell, lease, or mortgage immovable property contained in the trust instrument to be included in the extract of trust.

Present law provides that the trustee shall have all of the powers and duties granted to trustees under the Louisiana Trust Code unless the trust and abstract of trust recite otherwise.

Proposed law deletes present law and provides that when an extract of trust is recorded, any limitation or restriction in the trust instrument on the power of the trustee to sell, lease, or mortgage immovable property shall not be effective against third persons unless it is noted or recited in the extract of trust.

(Amends R.S. 9:2092(B)(2); adds R.S. 9:2092.1 and 2092(B)(1)(g))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary A to the engrossed bill

1. Deletes, in cases where a trust owns immovable property at the time the trust terminates and the date of termination is not discernable on the face of the recorded trust agreement or extract of the trust, the option of actual conveyance by the trustee to its beneficiaries pursuant to the termination of the trust as a way in which a trust can be made effective as to third persons.