

1 S.31

2 Introduced by Senators Sears and Hartwell

3 Referred to Committee on

4 Date:

5 Subject: Domestic relations; annulment and divorce; property settlement

6 Statement of purpose: This bill proposes to prohibit a court from consideration  
7 of interests in revocable trusts or wills when making a property settlement in a  
8 divorce proceeding.

9 An act relating to prohibiting a court from consideration of interests in  
10 revocable trusts or wills when making a property settlement in a divorce  
11 proceeding

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 15 V.S.A. § 751 is amended to read:

14 § 751. PROPERTY SETTLEMENT

15 \* \* \*

16 (c)(1) Notwithstanding any provision of subsection (b) of this section to the  
17 contrary, in making a property settlement the court shall not consider interests  
18 in revocable trusts, wills, or other estate planning instruments in which the  
19 terms are capable of modification.

20 (2) This subsection shall not apply to estate planning instruments  
21 created by the parties of the divorce proceeding.

1           (3) A person shall not cause marital property to be placed in an estate  
2           planning instrument for the purpose of omitting it from a property settlement.

3           (4) A court may request evidence related to an estate planning  
4           instrument if it believes marital property may be included in the instrument in  
5           violation of subdivision (3) of this subsection or if it believes a party has  
6           otherwise acted in bad faith.

7           (5) A court may impose all applicable civil and criminal penalties as  
8           well as consider interests in an estate planning instrument upon finding that a  
9           party acted in bad faith pursuant to subdivisions (2) and (3) of this subsection.

10          Sec. 2. EFFECTIVE DATE

11          This act shall take effect on July 1, 2013.