

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1268

Page 1, line 1, after "47-02-27.4" insert "and two new sections to chapter 47-02"

Page 1, line 2, after "perpetuities" insert "and restrictions on irrevocable trusts"

Page 1, line 3, replace "sections" with "section" and remove "and 47-02-27.2"

Page 1, line 4, remove "and contingent property interests"

Page 2, remove the overstrike over lines 10 through 19

Page 2, line 20, remove the overstrike over "~~death of the survivor of the specified lives.~~" and insert immediately thereafter "This subsection applies only to a trust or other property arrangement that owns or acquires real property in this state."

Page 2, remove lines 21 through 30

Page 3, remove lines 1 through 7

Page 3, line 11, after "irrevocable" insert "other than a trust that owns or acquires real property in this state"

Page 3, after line 11, insert:

"SECTION 3. A new section to chapter 47-02 of the North Dakota Century Code is created and enacted as follows:

Restriction on ownership of real property by trusts. A trustee of an irrevocable trust organized under the laws of any state may not, directly or indirectly, retain any interest, whether legal, beneficial, or otherwise, in any title to real property in this state beyond the period of time specified in subsection 5 of section 47-02-27.1. This section applies to trust ownership of real property in this state regardless of the means by which the real property is acquired by the trust and regardless of when or how the trust was created or when the trust became irrevocable.

SECTION 4. A new section to chapter 47-02 of the North Dakota Century Code is created and enacted as follows:

Enforcement. If the attorney general has reason to believe that any trustee is violating section 3 of this Act, the attorney general shall commence an action in the district court in which any real property relative to the violation is situated, or if situated in two or more counties, in the district court for that county in which a substantial part of the real property is situated. The attorney general shall file for record with the register of deeds in each county in which any portion of the real property is located a notice of the pendency of the action. If the court finds that the real property in question is being held in violation of section 3 of this Act, the court shall enter an order so declaring. The attorney general shall file the order for record with the register of deeds of each county in which any portion of the real property is located. The trustee owning the real property has a period of one year from the date of the order to divest the trust of the real

property. The one-year limitation period is deemed a covenant running with the title to the real property against any grantee or assignee. Any real property not divested within the time prescribed must be sold at public sale in the manner prescribed by law for the foreclosure of a real estate mortgage by action."

Renumber accordingly