
SENATE BILL 5037

State of Washington

69th Legislature

2025 Regular Session

By Senators Holy and Pedersen; by request of Uniform Law Commission
Prefiled 12/13/24.

1 AN ACT Relating to the uniform custodial trust act; amending RCW
2 11.135.010; and adding a new chapter to Title 11 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** DEFINITIONS. As used in this chapter:

5 (1) "Adult" means an individual who is at least 18 years of age.

6 (2) "Beneficiary" means an individual for whom property has been
7 transferred to or held under a declaration of trust by a custodial
8 trustee for the individual's use and benefit under this chapter.

9 (3) "Conservator" means a person appointed or qualified by a
10 court to manage the estate of an individual or a person legally
11 authorized to perform substantially the same functions.

12 (4) "Court" means a superior court of this state.

13 (5) "Custodial trust property" means an interest in property
14 transferred to or held under a declaration of trust by a custodial
15 trustee under this chapter and the income from and proceeds of that
16 interest.

17 (6) "Custodial trustee" means a person designated as trustee of a
18 custodial trust under this chapter or a substitute or successor to
19 the person designated.

1 (7) "Guardian" means a person appointed or qualified by a court
2 as a guardian of an individual, including a limited guardian, but not
3 a person who is only a guardian ad litem.

4 (8) "Incapacitated" means lacking the ability to manage property
5 and business affairs effectively by reason of mental illness, mental
6 deficiency, physical illness or disability, chronic use of drugs,
7 chronic intoxication, confinement, detention by a foreign power,
8 disappearance, minority, or other disabling cause.

9 (9) "Legal representative" means a personal representative or
10 conservator.

11 (10) "Member of the beneficiary's family" means a beneficiary's
12 spouse, state registered domestic partner, descendant, stepchild,
13 parent, stepparent, grandparent, brother, sister, uncle, or aunt,
14 whether of the whole or half blood or by adoption.

15 (11) "Person" means an individual, corporation, business trust,
16 estate, trust, partnership, joint venture, association, or any other
17 legal or commercial entity.

18 (12) "Personal representative" means an executor, administrator,
19 or special administrator of a decedent's estate, a person legally
20 authorized to perform substantially the same functions, or a
21 successor to any of them.

22 (13) "State" means a state, territory, or possession of the
23 United States, the District of Columbia, or the Commonwealth of
24 Puerto Rico.

25 (14) "Transferor" means a person who creates a custodial trust by
26 transfer or declaration.

27 (15) "Trust company" means a financial institution, corporation,
28 or other legal entity, authorized to exercise general trust powers.

29 NEW SECTION. **Sec. 2.** CUSTODIAL TRUST—GENERAL. (1) A person may
30 create a custodial trust of property by a written transfer of the
31 property to another person, evidenced by registration or by other
32 instrument of transfer, executed in any lawful manner, naming as
33 beneficiary, an individual who may be the transferor, in which the
34 transferee is designated, in substance, as custodial trustee under
35 the Washington uniform custodial trust act.

36 (2) A person may create a custodial trust of property by a
37 written declaration, evidenced by registration of the property or by
38 other instrument of declaration executed in any lawful manner,
39 describing the property and naming as beneficiary an individual other

1 than the declarant, in which the declarant as titleholder is
2 designated, in substance, as custodial trustee under the Washington
3 uniform custodial trust act. A registration or other declaration of
4 trust for the sole benefit of the declarant is not a custodial trust
5 under this chapter.

6 (3) Title to custodial trust property is in the custodial trustee
7 and the beneficial interest is in the beneficiary.

8 (4) Except as provided in subsection (5) of this section, a
9 transferor may not terminate a custodial trust.

10 (5) The beneficiary, if not incapacitated, or the conservator of
11 an incapacitated beneficiary, may terminate a custodial trust by
12 delivering to the custodial trustee a writing signed by the
13 beneficiary or conservator declaring the termination. If not
14 previously terminated, the custodial trust terminates on the death of
15 the beneficiary.

16 (6) Any person may augment existing custodial trust property by
17 the addition of other property pursuant to this chapter.

18 (7) The transferor may designate, or authorize the designation
19 of, a successor custodial trustee in the trust instrument.

20 (8) This chapter does not displace or restrict other means of
21 creating trusts. A trust whose terms do not conform to this chapter
22 may be enforceable according to its terms under other law.

23 NEW SECTION. **Sec. 3.** CUSTODIAL TRUSTEE FOR FUTURE PAYMENT OR
24 TRANSFER. (1) A person having the right to designate the recipient of
25 property payable or transferable upon a future event may create a
26 custodial trust upon the occurrence of the future event by
27 designating in writing the recipient, followed in substance by:
28 ". . . . as custodial trustee for (name of beneficiary)
29 under the Washington uniform custodial trust act."

30 (2) Persons may be designated as substitute or successor
31 custodial trustees to whom the property must be paid or transferred
32 in the order named if the first designated custodial trustee is
33 unable or unwilling to serve.

34 (3) A designation under this section may be made in a will, a
35 trust, a deed, a multiple-party account, an insurance policy, an
36 instrument exercising a power of appointment, or a writing
37 designating a beneficiary of contractual rights. Otherwise, to be
38 effective, the designation must be registered with or delivered to
39 the fiduciary, payor, issuer, or obligor of the future right.

1 (2) A written acknowledgment of delivery, signed by a custodial
2 trustee, is a sufficient receipt and discharge for property
3 transferred to the custodial trustee pursuant to this section.

4 NEW SECTION. **Sec. 6.** MULTIPLE BENEFICIARIES—SEPARATE CUSTODIAL
5 TRUSTS—SURVIVORSHIP. (1) Beneficial interests in a custodial trust
6 created for multiple beneficiaries are deemed to be separate
7 custodial trusts of equal undivided interests for each beneficiary.
8 Except in a transfer or declaration for use and benefit of spouses or
9 state registered domestic partners, for whom survivorship is
10 presumed, a right of survivorship does not exist unless the
11 instrument creating the custodial trust specifically provides for
12 survivorship or survivorship is required as to community or marital
13 property.

14 (2) Custodial trust property held under this chapter by the same
15 custodial trustee for the use and benefit of the same beneficiary may
16 be administered as a single custodial trust.

17 (3) A custodial trustee of custodial trust property held for more
18 than one beneficiary shall separately account to each beneficiary
19 pursuant to sections 7 and 15 of this act for the administration of
20 the custodial trust.

21 NEW SECTION. **Sec. 7.** GENERAL DUTIES OF CUSTODIAL TRUSTEE. (1)
22 If appropriate, a custodial trustee shall register or record the
23 instrument vesting title to custodial trust property.

24 (2) If the beneficiary is not incapacitated, a custodial trustee
25 shall follow the directions of the beneficiary in the management,
26 control, investment, or retention of the custodial trust property. In
27 the absence of effective contrary direction by the beneficiary while
28 not incapacitated, the custodial trustee shall observe the standard
29 of care that would be observed by a prudent person dealing with
30 property of another and is not limited by any other law restricting
31 investments by fiduciaries. However, a custodial trustee, in the
32 custodial trustee's discretion, may retain any custodial trust
33 property received from the transferor. If a custodial trustee has a
34 special skill or expertise or is named custodial trustee on the basis
35 of representation of a special skill or expertise, the custodial
36 trustee shall use that skill or expertise.

1 (3) Subject to subsection (2) of this section, a custodial
2 trustee shall take control of and collect, hold, manage, invest, and
3 reinvest custodial trust property.

4 (4) A custodial trustee at all times shall keep custodial trust
5 property of which the custodial trustee has control, separate from
6 all other property in a manner sufficient to identify it clearly as
7 custodial trust property of the beneficiary. Custodial trust
8 property, the title to which is subject to recordation, is so
9 identified if an appropriate instrument so identifying the property
10 is recorded, and custodial trust property subject to registration is
11 so identified if it is registered, or held in an account in the name
12 of the custodial trustee, designated in substance: ". . . . as
13 custodial trustee for (name of beneficiary) under the
14 Washington uniform custodial trust act."

15 (5) A custodial trustee shall keep records of all transactions
16 with respect to custodial trust property, including information
17 necessary for the preparation of tax returns, and shall make the
18 records and information available at reasonable times to the
19 beneficiary or legal representative of the beneficiary.

20 (6) The exercise of a durable power of attorney for an
21 incapacitated beneficiary is not effective to terminate or direct the
22 administration or distribution of a custodial trust.

23 NEW SECTION. **Sec. 8.** GENERAL POWERS OF CUSTODIAL TRUSTEE. (1) A
24 custodial trustee has the powers of a trustee under RCW 11.98.070.

25 (2) This section does not relieve a custodial trustee from
26 liability for a violation of section 7 of this act.

27 NEW SECTION. **Sec. 9.** USE OF CUSTODIAL TRUST PROPERTY. (1) A
28 custodial trustee shall pay to the beneficiary or expend for the
29 beneficiary's use and benefit so much or all of the custodial trust
30 property as the beneficiary while not incapacitated may direct from
31 time to time.

32 (2) If the beneficiary is incapacitated, the custodial trustee
33 shall expend so much or all of the custodial trust property as the
34 custodial trustee considers advisable for the use and benefit of the
35 beneficiary and individuals who were supported by the beneficiary
36 when the beneficiary became incapacitated, or who are legally
37 entitled to support by the beneficiary. Expenditures may be made in
38 the manner, when, and to the extent that the custodial trustee

1 determines suitable and proper, without court order and without
2 regard to other support, income, or property of the beneficiary.

3 (3) A custodial trustee may establish checking, savings, or other
4 similar accounts of reasonable amounts under which either the
5 custodial trustee or the beneficiary may withdraw funds from, or draw
6 checks against, the accounts. Funds withdrawn from, or checks written
7 against, the account by the beneficiary are distributions of
8 custodial trust property by the custodial trustee to the beneficiary.

9 NEW SECTION. **Sec. 10.** DETERMINATION OF INCAPACITY—EFFECT. (1)

10 The custodial trustee shall administer the custodial trust as for an
11 incapacitated beneficiary if: (a) The custodial trust was created
12 under section 5 of this act; (b) the transferor has so directed in
13 the instrument creating the custodial trust; or (c) the custodial
14 trustee has determined that the beneficiary is incapacitated.

15 (2) A custodial trustee may determine that the beneficiary is
16 incapacitated in reliance upon: (a) Previous direction or authority
17 given by the beneficiary while not incapacitated, including direction
18 or authority pursuant to a durable power of attorney; (b) the
19 certificate of the beneficiary's physician; or (c) other persuasive
20 evidence.

21 (3) If a custodial trustee for an incapacitated beneficiary
22 reasonably concludes that the beneficiary's incapacity has ceased, or
23 that circumstances concerning the beneficiary's ability to manage
24 property and business affairs have changed since the creation of a
25 custodial trust directing administration as for an incapacitated
26 beneficiary, the custodial trustee may administer the trust as for a
27 beneficiary who is not incapacitated.

28 (4) On petition of the beneficiary, the custodial trustee, or
29 other person interested in the custodial trust property or the
30 welfare of the beneficiary, the court shall determine whether the
31 beneficiary is incapacitated.

32 (5) Absent determination of incapacity of the beneficiary under
33 subsection (2) or (4) of this section, a custodial trustee who has
34 reason to believe that the beneficiary is incapacitated shall
35 administer the custodial trust in accordance with the provisions of
36 this chapter applicable to an incapacitated beneficiary.

37 (6) Incapacity of a beneficiary does not terminate: (a) The
38 custodial trust; (b) any designation of a successor custodial
39 trustee; (c) rights or powers of the custodial trustee; or (d) any

1 immunities of third persons acting on instructions of the custodial
2 trustee.

3 NEW SECTION. **Sec. 11.** EXEMPTION OF THIRD PERSON FROM LIABILITY.

4 A third person in good faith and without a court order may act on
5 instructions of, or otherwise deal with, a person purporting to make
6 a transfer as, or purporting to act in the capacity of, a custodial
7 trustee. In the absence of knowledge to the contrary, the third
8 person is not responsible for determining:

9 (1) The validity of the purported custodial trustee's
10 designation;

11 (2) The propriety of, or the authority under this chapter for,
12 any action of the purported custodial trustee;

13 (3) The validity or propriety of an instrument executed or
14 instruction given pursuant to this chapter either by the person
15 purporting to make a transfer or declaration or by the purported
16 custodial trustee; or

17 (4) The propriety of the application of property vested in the
18 purported custodial trustee.

19 NEW SECTION. **Sec. 12.** LIABILITY TO THIRD PERSON. (1) A claim

20 based on a contract entered into by a custodial trustee acting in a
21 fiduciary capacity, an obligation arising from the ownership or
22 control of custodial trust property, or a tort committed in the
23 course of administering the custodial trust, may be asserted by a
24 third person against the custodial trust property by proceeding
25 against the custodial trustee in a fiduciary capacity, whether or not
26 the custodial trustee or the beneficiary is personally liable.

27 (2) A custodial trustee is not personally liable to a third
28 person:

29 (a) On a contract properly entered into in a fiduciary capacity
30 unless the custodial trustee fails to reveal that capacity or to
31 identify the custodial trust in the contract; or

32 (b) For an obligation arising from control of custodial trust
33 property or for a tort committed in the course of the administration
34 of the custodial trust unless the custodial trustee is personally at
35 fault.

36 (3) A beneficiary is not personally liable to a third person for
37 an obligation arising from beneficial ownership of custodial trust
38 property or for a tort committed in the course of administration of

1 the custodial trust unless the beneficiary is personally in
2 possession of the custodial trust property giving rise to the
3 liability or is personally at fault.

4 (4) Subsections (2) and (3) of this section do not preclude
5 actions or proceedings to establish liability of the custodial
6 trustee or beneficiary to the extent the person sued is protected as
7 the insured by liability insurance.

8 NEW SECTION. **Sec. 13.** DECLINATION, RESIGNATION, INCAPACITY,
9 DEATH, OR REMOVAL OF CUSTODIAL TRUSTEE, DESIGNATION OF SUCCESSOR
10 CUSTODIAL TRUSTEE. (1) Before accepting the custodial trust property,
11 a person designated as custodial trustee may decline to serve by
12 notifying the person who made the designation, the transferor, or the
13 transferor's legal representative. If an event giving rise to a
14 transfer has not occurred, the substitute custodial trustee
15 designated under section 3 of this act becomes the custodial trustee,
16 or, if a substitute custodial trustee has not been designated, the
17 person who made the designation may designate a substitute custodial
18 trustee pursuant to section 3 of this act. In other cases, the
19 transferor or the transferor's legal representative may designate a
20 substitute custodial trustee.

21 (2) A custodial trustee who has accepted the custodial trust
22 property may resign by: (a) Delivering written notice to a successor
23 custodial trustee, if any, the beneficiary, and, if the beneficiary
24 is incapacitated, the beneficiary's conservator, if any; and (b)
25 transferring or registering, or recording an appropriate instrument
26 relating to, the custodial trust property, in the name of, and
27 delivering the records to, the successor custodial trustee identified
28 under subsection (3) of this section.

29 (3) If a custodial trustee or successor custodial trustee is
30 ineligible, resigns, dies, or becomes incapacitated, the successor
31 designated under section 2(7) or 3 of this act becomes custodial
32 trustee. If there is no effective provision for a successor, the
33 beneficiary, if not incapacitated, may designate a successor
34 custodial trustee. If the beneficiary is incapacitated, or fails to
35 act within 90 days after the ineligibility, resignation, death, or
36 incapacity of the custodial trustee, the beneficiary's conservator
37 becomes successor custodial trustee. If the beneficiary does not have
38 a conservator or the conservator fails to act, the resigning
39 custodial trustee may designate a successor custodial trustee.

1 (4) If a successor custodial trustee is not designated pursuant
2 to subsection (3) of this section, the transferor, the legal
3 representative of the transferor or of the custodial trustee, an
4 adult member of the beneficiary's family, the guardian of the
5 beneficiary, a person interested in the custodial trust property, or
6 a person interested in the welfare of the beneficiary, may petition
7 the court to designate a successor custodial trustee.

8 (5) A custodial trustee who declines to serve or resigns, or the
9 legal representative of a deceased or incapacitated custodial
10 trustee, as soon as practicable, shall put the custodial trust
11 property and records in the possession and control of the successor
12 custodial trustee. The successor custodial trustee may enforce the
13 obligation to deliver custodial trust property and records and
14 becomes responsible for each item as received.

15 (6) A beneficiary, the beneficiary's conservator, an adult member
16 of the beneficiary's family, a guardian of the person of the
17 beneficiary, a person interested in the custodial trust property, or
18 a person interested in the welfare of the beneficiary, may petition
19 the court to remove the custodial trustee for cause and designate a
20 successor custodial trustee, to require the custodial trustee to
21 furnish a bond or other security for the faithful performance of
22 fiduciary duties, or for other appropriate relief.

23 NEW SECTION. **Sec. 14.** EXPENSES, COMPENSATION, AND BOND OF
24 CUSTODIAL TRUSTEE. Except as otherwise provided in the instrument
25 creating the custodial trust, in an agreement with the beneficiary,
26 or by court order, a custodial trustee:

27 (1) Is entitled to reimbursement from custodial trust property
28 for reasonable expenses incurred in the performance of fiduciary
29 services;

30 (2) Has a noncumulative election, to be made no later than six
31 months after the end of each calendar year, to charge a reasonable
32 compensation for fiduciary services performed during that year; and

33 (3) Need not furnish a bond or other security for the faithful
34 performance of fiduciary duties.

35 NEW SECTION. **Sec. 15.** REPORTING AND ACCOUNTING BY CUSTODIAL
36 TRUSTEE—DETERMINATION OF LIABILITY OF CUSTODIAL TRUSTEE. (1) Upon the
37 acceptance of custodial trust property, the custodial trustee shall
38 provide a written statement describing the custodial trust property

1 and shall thereafter provide a written statement of the
2 administration of the custodial trust property: (a) Once each year;
3 (b) upon request at reasonable times by the beneficiary or the
4 beneficiary's legal representative; (c) upon resignation or removal
5 of the custodial trustee; and (d) upon termination of the custodial
6 trust. The statements must be provided to the beneficiary or to the
7 beneficiary's legal representative, if any. Upon termination of the
8 beneficiary's interest, the custodial trustee shall furnish a current
9 statement to the person to whom the custodial trust property is to be
10 delivered.

11 (2) A beneficiary, the beneficiary's legal representative, an
12 adult member of the beneficiary's family, a person interested in the
13 custodial trust property, or a person interested in the welfare of
14 the beneficiary may petition the court for an accounting by the
15 custodial trustee or the custodial trustee's legal representative.

16 (3) A successor custodial trustee may petition the court for an
17 accounting by a predecessor custodial trustee.

18 (4) In an action or proceeding under this chapter or in any other
19 proceeding, the court may require or permit the custodial trustee or
20 the custodial trustee's legal representative to account. The
21 custodial trustee or the custodial trustee's legal representative may
22 petition the court for approval of final accounts.

23 (5) If a custodial trustee is removed, the court shall require an
24 accounting and order delivery of the custodial trust property and
25 records to the successor custodial trustee and the execution of all
26 instruments required for transfer of the custodial trust property.

27 (6) On petition of the custodial trustee or any person who could
28 petition for an accounting, the court, after notice to interested
29 persons, may issue instructions to the custodial trustee or review
30 the propriety of the acts of a custodial trustee or the
31 reasonableness of compensation determined by the custodial trustee
32 for the services of the custodial trustee or others.

33 NEW SECTION. **Sec. 16.** LIMITATIONS OF ACTION AGAINST CUSTODIAL
34 TRUSTEE. (1) Except as provided in subsection (3) of this section,
35 unless previously barred by adjudication, consent, or limitation, a
36 claim for relief against a custodial trustee for accounting or breach
37 of duty is barred as to a beneficiary, a person to whom custodial
38 trust property is to be paid or delivered, or the legal
39 representative of an incapacitated or deceased beneficiary or payee:

1 (a) Who has received a final account or statement fully
2 disclosing the matter unless an action or proceeding to assert the
3 claim is commenced within two years after receipt of the final
4 account or statement; or

5 (b) Who has not received a final account or statement fully
6 disclosing the matter unless an action or proceeding to assert the
7 claim is commenced within three years after the termination of the
8 custodial trust.

9 (2) Except as provided in subsection (3) of this section, a claim
10 for relief to recover from a custodial trustee for fraud,
11 misrepresentation, or concealment related to the final settlement of
12 the custodial trust or concealment of the existence of the custodial
13 trust, is barred unless an action or proceeding to assert the claim
14 is commenced within five years after the termination of the custodial
15 trust.

16 (3) A claim for relief is not barred by this section if the
17 claimant:

18 (a) Is a minor, until the earlier of two years after the claimant
19 becomes an adult or dies;

20 (b) Is an incapacitated adult, until the earliest of two years
21 after: (i) The appointment of a conservator; (ii) the removal of the
22 incapacity; or (iii) the death of the claimant; or

23 (c) Was an adult, now deceased, who was not incapacitated, until
24 two years after the claimant's death.

25 NEW SECTION. **Sec. 17.** DISTRIBUTION ON TERMINATION. (1) Upon
26 termination of a custodial trust, the custodial trustee shall
27 transfer the unexpended custodial trust property:

28 (a) To the beneficiary, if not incapacitated or deceased;

29 (b) To the conservator or other recipient designated by the court
30 for an incapacitated beneficiary; or

31 (c) Upon the beneficiary's death, in the following order:

32 (i) As last directed in a writing signed by the deceased
33 beneficiary while not incapacitated and received by the custodial
34 trustee during the life of the deceased beneficiary;

35 (ii) To the survivor of multiple beneficiaries if survivorship is
36 provided for pursuant to section 6 of this act;

37 (iii) As designated in the instrument creating the custodial
38 trust; or

39 (iv) To the estate of the deceased beneficiary.

1 (2) If, when the custodial trust would otherwise terminate, the
2 distributee is incapacitated, the custodial trust continues for the
3 use and benefit of the distributee as beneficiary until the
4 incapacity is removed or the custodial trust is otherwise terminated.

5 (3) Death of a beneficiary does not terminate the power of the
6 custodial trustee to discharge obligations of the custodial trustee
7 or beneficiary incurred before the termination of the custodial
8 trust.

9 NEW SECTION. **Sec. 18.** METHODS AND FORMS FOR CREATING CUSTODIAL
10 TRUSTS. (1) If a transaction, including a declaration with respect to
11 or a transfer of specific property, otherwise satisfies applicable
12 law, the criteria of section 2 of this act are satisfied by:

13 (a) The execution and either delivery to the custodial trustee or
14 recording of an instrument in substantially the following form:

15 TRANSFER UNDER THE WASHINGTON UNIFORM CUSTODIAL TRUST ACT

16 I, (name of transferor or name and representative
17 capacity if a fiduciary), transfer to (name of
18 trustee other than transferor), as custodial trustee
19 for (name of beneficiary) as beneficiary
20 and (name of distributee) as distributee on
21 termination of the trust in absence of direction by the
22 beneficiary under the Washington uniform custodial trust act,
23 the following:

24

25

26 (insert a description of the custodial trust property legally
27 sufficient to identify and transfer each item of property)

28 Dated: . . . (date)

29

30 (Signature); or

31 (b) The execution and the recording or giving notice of its
32 execution to the beneficiary of an instrument in substantially the
33 following form:

34 DECLARATION OF TRUST UNDER THE WASHINGTON UNIFORM CUSTODIAL TRUST ACT

35 I, (name of owner of property), declare that
36 henceforth I hold as custodial trustee for (name of
37 beneficiary other than transferor) as beneficiary
38 and (name of distributee) as distributee on
39 termination of the trust in absence of direction by the

1 beneficiary under the Washington uniform custodial trust act,
2 the following:

3

4

5 (insert a description of the custodial trust property legally
6 sufficient to identify and transfer each item of property)

7 Dated: . . . (date)

8

9 (Signature)

10 (2) Customary methods of transferring or evidencing ownership of
11 property may be used to create a custodial trust, including any of
12 the following:

13 (a) Registration of a security in the name of a trust company, an
14 adult other than the transferor, or the transferor if the beneficiary
15 is other than the transferor, designated in substance ". as
16 custodial trustee for (name of beneficiary) under the
17 Washington uniform custodial trust act";

18 (b) Delivery of a certificated security, or a document necessary
19 for the transfer of an uncertificated security, together with any
20 necessary endorsement, to an adult other than the transferor or to a
21 trust company as custodial trustee, accompanied by an instrument in
22 substantially the form prescribed in subsection (1)(a) of this
23 section;

24 (c) Payment of money or transfer of a security held in the name
25 of a broker or a financial institution or its nominee to a broker or
26 financial institution for credit to an account in the name of a trust
27 company, an adult other than the transferor, or the transferor if the
28 beneficiary is other than the transferor, designated in substance:
29 ". as custodial trustee for (name of beneficiary)
30 under the Washington uniform custodial trust act";

31 (d) Registration of ownership of a life or endowment insurance
32 policy or annuity contract with the issuer in the name of a trust
33 company, an adult other than the transferor, or the transferor if the
34 beneficiary is other than the transferor, designated in substance:
35 ". as custodial trustee for (name of beneficiary)
36 under the Washington uniform custodial trust act";

37 (e) Delivery of a written assignment to an adult other than the
38 transferor or to a trust company whose name in the assignment is
39 designated in substance by the words: ". as custodial trustee

1 for (name of beneficiary) under the Washington uniform
2 custodial trust act";

3 (f) Irrevocable exercise of a power of appointment, pursuant to
4 its terms, in favor of a trust company, an adult other than the donee
5 of the power, or the donee who holds the power if the beneficiary is
6 other than the donee, whose name in the appointment is designated in
7 substance: ". as custodial trustee for (name of
8 beneficiary) under the Washington uniform custodial trust act";

9 (g) Delivery of a written notification or assignment of a right
10 to future payment under a contract to an obligor which transfers the
11 right under the contract to a trust company, an adult other than the
12 transferor, or the transferor if the beneficiary is other than the
13 transferor, whose name in the notification or assignment is
14 designated in substance: ". as custodial trustee
15 for (name of beneficiary) under the Washington uniform
16 custodial trust act";

17 (h) Execution, delivery, and recordation of a conveyance of an
18 interest in real property in the name of a trust company, an adult
19 other than the transferor, or the transferor if the beneficiary is
20 other than the transferor, designated in substance: ". as
21 custodial trustee for (name of beneficiary) under the
22 Washington uniform custodial trust act";

23 (i) Issuance of a certificate of title by an agency of a state or
24 of the United States which evidences title to tangible personal
25 property:

26 (A) Issued in the name of a trust company, an adult other than
27 the transferor, or the transferor if the beneficiary is other than
28 the transferor, designated in substance: ". as custodial
29 trustee for (name of beneficiary) under the Washington
30 uniform custodial trust act"; or

31 (B) Delivered to a trust company or an adult other than the
32 transferor or endorsed by the transferor to that person, designated
33 in substance: ". as custodial trustee for (name of
34 beneficiary) under the Washington uniform custodial trust act"; or

35 (j) Execution and delivery of an instrument of gift to a trust
36 company or an adult other than the transferor, designated in
37 substance: ". as custodial trustee for (name of
38 beneficiary) under the Washington uniform custodial trust act."

1 NEW SECTION. **Sec. 19.** APPLICABLE LAW. (1) This chapter applies
2 to a transfer or declaration creating a custodial trust that refers
3 to this chapter if, at the time of the transfer or declaration, the
4 transferor, beneficiary, or custodial trustee is a resident of or has
5 its principal place of business in this state or custodial trust
6 property is located in this state. The custodial trust remains
7 subject to this chapter despite a later change in residence or
8 principal place of business of the transferor, beneficiary, or
9 custodial trustee, or removal of the custodial trust property from
10 this state.

11 (2) A transfer made pursuant to an act of another state
12 substantially similar to this chapter is governed by the law of that
13 state and may be enforced in this state.

14 NEW SECTION. **Sec. 20.** UNIFORMITY OF APPLICATION AND
15 CONSTRUCTION. This chapter shall be applied and construed to
16 effectuate its general purpose to make uniform the law with respect
17 to the subject of this chapter among states enacting it.

18 NEW SECTION. **Sec. 21.** SHORT TITLE. This chapter may be known
19 and cited as the Washington uniform custodial trust act.

20 **Sec. 22.** RCW 11.135.010 and 2024 c 188 s 2 are each amended to
21 read as follows:

22 In this chapter:

23 (1) "Electronic record" means a record created, generated, sent,
24 communicated, received, or stored by electronic means.

25 (2) "Electronic signature" means an electronic symbol or process
26 attached to or logically associated with a record that uses a
27 security procedure and is executed or adopted by a person with the
28 intent to sign the record.

29 (3) "Information" includes data, text, images, codes, computer
30 programs, software, databases, and the like, and does not include
31 videos or sounds.

32 (4) "Nontestamentary estate planning document" means a record
33 relating to estate planning that is readable as text at the time of
34 signing and is not a will or contained in a will. The term:

35 (a) Includes a record readable as text at the time of signing
36 that creates, exercises, modifies, releases, or revokes:

1 (i) An inter vivos trust governed by chapters 11.97, 11.98,
2 11.98B, 11.103, 11.110, ~~((and))~~ 11.118, and 11.--- (the new chapter
3 created in section 23 of this act) RCW;

4 (ii) A trust power held by a trustor, a trustee, a
5 beneficiary~~((+,+))~~, or a third party that is granted under the terms
6 of a trust, under this title, specifically including chapters 11.97,
7 11.98, 11.98B, 11.103, 11.110, and 11.118 RCW, or by any other
8 statute or rule of law related to trusts that requires a writing,
9 written instrument, or a signed record or document;

10 (iii) A certification of a trust under RCW 11.98.075;

11 (iv) A power of attorney, including for health care of the
12 principal or of the principal's minor children, that is durable under
13 chapter 11.125 RCW;

14 (v) An agent's certification under RCW 11.125.430 of the validity
15 of a power of attorney and the agent's authority;

16 (vi) A power of appointment;

17 (vii) A health care directive under chapter 70.122 RCW;

18 (viii) A document appointing an agent to dispose of an
19 individual's remains, directing disposition of an individual's
20 remains after death, or expressing wishes regarding an anatomical
21 gift;

22 (ix) A nomination of a guardian or conservator for the signing
23 individual;

24 (x) A nomination of a guardian or conservator for a minor child
25 or disabled adult child or a delegation of parental powers for a
26 minor child pursuant to RCW 11.130.145;

27 (xi) A mental health advance directive under chapter 71.32 RCW;

28 (xii) A community property agreement as described in RCW
29 26.16.120;

30 (xiii) A disclaimer under RCW 11.86.011(5);

31 (xiv) A trust decanting under chapter 11.107 RCW;

32 (xv) A separate writing directing the disposition of tangible
33 personal property under RCW 11.12.260; and

34 (xvi) Any other record intended to carry out an individual's
35 intent regarding property or health care while incapacitated or on
36 death; and

37 (b) Does not include:

38 (i) A deed of real property or certificate of title for a motor
39 vehicle, watercraft, or aircraft; or

40 (ii) A nonjudicial settlement agreement under RCW 11.96A.220.

1 (5) "Person" means an individual, estate, business or nonprofit
2 entity, government or governmental subdivision, agency, or
3 instrumentality, or other legal entity.

4 (6) "Security procedure" means a procedure employed for the
5 purpose of verifying that an electronic signature, record, or
6 performance is that of a specific person or for detecting changes or
7 errors in the information in an electronic record. The term includes
8 a procedure that requires the use of algorithms or other codes,
9 identifying words or numbers, encryption, or callback or other
10 acknowledgment procedures.

11 (7) "Sign" means, with present intent to authenticate or adopt a
12 record, to:

13 (a) Execute or adopt a tangible symbol; or

14 (b) Attach to or logically associate with the record an
15 electronic signature.

16 (8) "State" means a state of the United States, the District of
17 Columbia, Puerto Rico, the United States Virgin Islands, or any
18 territory or insular possession subject to the jurisdiction of the
19 United States. The term includes an Indian tribe or band, or Alaskan
20 native village, which is recognized by federal law or formally
21 acknowledged by a state.

22 NEW SECTION. **Sec. 23.** Sections 1 through 21 of this act
23 constitute a new chapter in Title 11 RCW.

24 NEW SECTION. **Sec. 24.** SEVERABILITY. If any provision of this
25 act or its application to any person or circumstance is held invalid,
26 the remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

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