



TRUST & PROBATE LAW GROUP

Press Release

Contact: Edward W. Goodson

Phone: 925-362-4230

Cell: 925-872-9729

ed@trustandprobatelawgroup.com

FOR IMMEDIATE RELEASE

September 21, 2015

3:30 pm

GOVERNOR BROWN SIGNS AB-139

NEW LAW DRAMATICALLY IMPROVES PROBATE PROCESS, CUTS ATTORNEY FEES FOR HOMEOWNERS.

Gov. Jerry Brown today signed into law the creation of a new type of real estate deed that could save California families millions of dollars in estate planning and probate costs. The law, AB-139, was authored by Assemblyman Mike Gatto, D-Los Angeles, and was passed unanimously by both houses of the legislature.

AB-139 gives homeowners a new way to avoid probate, by recording a Revocable Transfer Upon Death Deed, rather than creating a living trust.

“It will work a lot like a pay-on-death beneficiary designation on an IRA or a life insurance policy,” explained attorney Ed Goodson of San Ramon. “The legislature has written the form for us; all we have to do is properly fill out the form, inserting the names of our pay-on-death beneficiaries, such as our children, and then record the document in the county records. When we die, title to the home goes directly to our beneficiaries – without the trouble or expense of probate.”

Deeds of this sort already exist in 19 other states, where they are frequently called “Lady Bird deeds,” a name allegedly given to them in the 1980’s by a Florida attorney, who, in his lecture materials, used the name Lady Bird as one of several fictional characters benefiting from this type of deed.

Attorney Goodson predicts that a majority of California homeowners will be able to use the new Lady Bird Deed instead of a living trust, and should be able to complete their estate planning for much less cost and confusion. “Living-trust-based estate plans require people to pay

an attorney about \$2,000, learn trust law basics, and then transfer almost all of their assets into the trust, keeping them there until death. The system is fraught with legal perils leading many estates to Probate Court despite the consumer's efforts." In contrast, Mr. Goodson predicts that estate planning based on Wills and Lady Bird deeds will cost under \$1,000 throughout California and, he said, "Should soon reduce the number of families having to go through probate."

Apparently wishing to minimize the chance for adverse unintended consequences, the legislature chose to limit the applicability of the new law to residential real estate of 1 to 4 units. Due to this limitation, the living trust should continue to be a popular estate planning method for Californians who own commercial and undeveloped real property.

The new law goes into effect on January 1, 2016, and sunsets in 2021 unless extended by the legislature and the governor before then. Any Lady Bird deeds recorded prior to 2021 will continue to be effective afterward, even if the law is not extended.