

SENATE BILL NO. 264—SENATORS LIPPARELLI, HARDY,
HARRIS, FARLEY; GOICOECHEA AND SETTELMAYER

MARCH 13, 2015

Referred to Committee on Judiciary

SUMMARY—Exempts spendthrift trusts from the application of the periods of limitation set forth in the Uniform Fraudulent Transfer Act. (BDR 10-780)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to fraudulent conveyances; clarifying that the periods of limitation set forth in the Uniform Fraudulent Transfer Act do not apply to spendthrift trusts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law establishes the Uniform Fraudulent Transfer Act, which sets forth
2 various provisions relating to the fraudulent transfer of property by a debtor to
3 avoid an obligation or creditor's claim. (Chapter 112 of NRS) Those provisions
4 include the periods of limitation within which various claims for relief with respect
5 to a fraudulent transfer must be brought. Existing law also establishes the
6 Spendthrift Trust Act of Nevada, which sets forth various provisions relating to
7 the creation of a spendthrift trust. (Chapter 166 of NRS) This bill clarifies that the
8 periods of limitation set forth in the Uniform Fraudulent Transfer Act do not apply
9 to any claim for relief with respect to a transfer of property made to a spendthrift
10 trust pursuant to the Spendthrift Trust Act of Nevada.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. (Deleted by amendment.)

Sec. 2. NRS 112.230 is hereby amended to read as follows:

112.230 ~~{Except as otherwise provided in NRS 166.170, a}~~

1. A claim for relief with respect to a fraudulent transfer or obligation under this chapter is extinguished unless action is brought:



* S B 2 6 4 R 1 *

- 1 ~~1-1~~ (a) Under paragraph (a) of subsection 1 of NRS 112.180,
2 within 4 years after the transfer was made or the obligation was
3 incurred or, if later, within 1 year after the transfer or obligation was
4 or could reasonably have been discovered by the claimant;
5 ~~1-2~~ (b) Under paragraph (b) of subsection 1 of NRS 112.180 or
6 subsection 1 of NRS 112.190, within 4 years after the transfer was
7 made or the obligation was incurred; or
8 ~~1-3~~ (c) Under subsection 2 of NRS 112.190, within 1 year after
9 the transfer was made or the obligation was incurred.
10 2. *This section does not apply to a claim for relief with*
11 *respect to a transfer of property to a spendthrift trust subject to*
12 *chapter 166 of NRS.*
13 Sec. 3. (Deleted by amendment.)

