

CALIFORNIA LAW REVISION COMMISSION

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NEWS RELEASE
April 26, 2021
For Immediate Release

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**Transfer on Death Registration of
Interest in Stock Cooperative**

Request for Public Comment

The California Law Revision Commission seeks public comment on a proposed statute that would create a relatively straightforward mechanism to make a nonprobate transfer on death of an interest in a stock cooperative.

A stock cooperative is a kind of common interest development where the entirety of the development is owned by a corporation formed for that purpose. The owners of separate interests hold shares in the corporation, which entitle them to the exclusive right to occupy a specified apartment. Owners do not hold title to any part of the development.

As a result, ownership of a separate interest in a stock cooperative is not evidenced or conveyed by deed. To avoid confusion and possible unintended consequences, the Commission previously recommended against making the revocable transfer on death applicable to property in a stock cooperative. Instead, it decided to develop a new statute that would be tailored to the special character of ownership in a stock cooperative. This tentative recommendation is the product of that separate study.

The Commission requests public comment on the proposed statute. In particular, the Commission is interested in comment on whether the statute would adequately address the form in which property in a stock cooperative is held.

The tentative recommendation is available on the Commission's website (www.clrc.ca.gov) in the pull-down "Reports" menu, under "Tentative Recommendations."

The Commission often substantially revises its recommendations as a result of public comment. To receive timely consideration, comments should be submitted by **July 1, 2021**. Comments can be mailed or emailed to bhebert@clrc.ca.gov.

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