

TRUSTS, USES, AND POWERS

CHAPTER 471

H. B. No. 776
(Aamoth, Kelsch)

PURPOSES OF EXPRESS TRUSTS

AN ACT

To amend and reenact section 59-03-02 of the North Dakota Century Code, relating to the purposes for which express trusts are created, and to provide a method of holding real property in trust with certain limited powers.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.**) Section 59-03-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

59-03-02. Purposes for Which Express Trusts Created.) Express trusts may be created for any of the following purposes:

1. To sell real property and apply or dispose of the proceeds in accordance with the instrument creating the trust;
2. To mortgage or lease real property for the benefit of annuitants or other legatees or for the purpose of satisfying any charge thereon;
3. To receive the rents and profits of real property and pay or apply them to the use of any person, whether ascertained at the time of the creation of the trust or not, for himself or for his family during the life of such person or for any shorter term, subject to the rules of title 47, Property;
4. To receive the rents and profits of real property and to accumulate the same for the purposes and within the limits prescribed by chapter 3 of title 47, Property;

No trust relating to real property shall fail nor shall any use relating to real property be defeated because no beneficiaries are specified by name in the recorded deed of conveyance to the trustee or because no duties are imposed upon the trustee, notwithstanding the provisions of sections 59-03-04 and 59-03-05. Power conferred by any such instrument on a trustee to sell,

lease, encumber, or otherwise dispose of property therein described shall be effective and no person dealing with such trustee shall be required to make further inquiry as to the right of such trustee to act, nor shall he be required to inquire as to the disposition of any proceeds. Nothing in this section shall be construed to affect any right which a creditor may otherwise have against a trustee or beneficiary, or to affect the rule against perpetuities.

Approved March 16, 1967.