501C.0401 METHODS OF CREATING TRUST.

(a) A trust may be created by:

(1) transfer of property to another person as trustee during the settlor's lifetime or by will or other disposition taking effect upon the settlor's death;

(2) declaration by the owner of property that the owner holds identifiable property as trustee; or

(3) exercise of a power of appointment in favor of a trustee.

(b) If a transfer of property is made to one person and the purchase price is paid by another person, a resulting trust is presumed to arise in favor of the person by whom the purchase price is paid, except:

(1) if the person by whom the purchase price was paid manifests a contrary intention, no resulting trust is presumed to arise;

(2) if the transferee is a spouse, child, or other natural object of bounty of the payor, a gift in favor of the transferee is presumed and no resulting trust is presumed to arise; and

(3) if the transfer is made to accomplish an illegal purpose, no resulting trust is presumed to arise unless it is needed to prevent unjust enrichment of the transferee.

(c) Every legal estate and interest not embraced in an express trust and not otherwise disposed of remains in the settlor.

History: *2015 c 5 art 4 s 1*