

# SENATE BILL No. 822

March 25, 1992, Introduced by Senator HONIGMAN and  
referred to the Committee on Judiciary.

A bill to amend section 2 of Act No. 418 of the Public Acts  
of 1988, entitled

"An act to adopt the uniform statutory rule against  
perpetuities,"

being section 554.72 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 2 of Act No. 418 of the Public Acts of  
2 1988, being section 554.72 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4       Sec. 2. (1) A nonvested property interest is invalid unless  
5 1 ~~or more~~ of the following are applicable to the interest:

6       (a) When the interest is created, it is certain to vest or  
7 terminate no later than 21 years after the death of an individual  
8 then alive.

1 (b) The interest either vests or terminates within 90 years  
2 after its creation.

3 (2) A general power of appointment not presently exercisable  
4 because of a condition precedent is invalid unless 1 or more of  
5 the following are applicable to the power:

6 (a) When the power is created, the condition precedent is  
7 certain either to be satisfied or become impossible to satisfy no  
8 later than 21 years after the death of an individual then alive.

9 (b) The condition precedent either is satisfied or becomes  
10 impossible to satisfy within 90 years after its creation.

11 (3) A nongeneral power of appointment or a general testamen-  
12 tary power of appointment is invalid unless 1 or more of the fol-  
13 lowing are applicable to the power:

14 (a) When the power is created, it is certain to be irrevoca-  
15 bly exercised or otherwise to terminate no later than 21 years  
16 after the death of an individual then alive.

17 (b) The power is irrevocably exercised or otherwise termi-  
18 nates within 90 years after its creation.

19 (4) In determining whether a nonvested property interest or  
20 a power of appointment is valid under subsection (1)(a), (2)(a),  
21 or (3)(a), the possibility that a child will be born to an indi-  
22 vidual after the individual's death is disregarded.

23 (5) IF IN MEASURING A PERIOD FROM THE CREATION OF A TRUST OR  
24 OTHER PROPERTY ARRANGEMENT LANGUAGE IN A GOVERNING INSTRUMENT  
25 SEEKS TO DISALLOW THE VESTING OR TERMINATION OF AN INTEREST OR  
26 TRUST BEYOND POSTPONE THE VESTING OR TERMINATION OF AN INTEREST  
27 OR TRUST UNTIL, OR OPERATE IN EFFECT IN ANY SIMILAR FASHION UPON,

1 THE LATER OF THE EXPIRATION OF A PERIOD OF TIME NOT EXCEEDING 21  
2 YEARS AFTER THE DEATH OF THE SURVIVOR OF SPECIFIED LIVES IN BEING  
3 AT THE CREATION OF THE TRUST OR OTHER PROPERTY ARRANGEMENT OR THE  
4 EXPIRATION OF A PERIOD OF TIME THAT EXCEEDS OR MIGHT EXCEED 21  
5 YEARS AFTER THE DEATH OF THE SURVIVOR OF LIVES IN BEING AT THE  
6 CREATION OF THE TRUST OR OTHER PROPERTY ARRANGEMENT, THAT LAN-  
7 GUAGE IS INOPERATIVE TO THE EXTENT IT PRODUCES A PERIOD OF TIME  
8 THAT EXCEEDS 21 YEARS AFTER THE DEATH OF THE SURVIVOR OF THE  
9 SPECIFIED LIVES.