

A bill to amend 1988 PA 418, entitled
"Uniform statutory rule against perpetuities,"
by amending section 2 (MCL 554.72).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

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

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

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

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

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

18 (5) IF, IN MEASURING A PERIOD FROM THE CREATION OF A TRUST
19 OR OTHER PROPERTY ARRANGEMENT, LANGUAGE IN A GOVERNING INSTRUMENT
20 SEEKS TO DISALLOW THE VESTING OR TERMINATION OF ANY INTEREST OR
21 TRUST BEYOND, SEEKS TO POSTPONE THE VESTING OR TERMINATION OF ANY
22 INTEREST OR TRUST UNTIL, OR SEEKS TO OPERATE IN EFFECT IN ANY
23 SIMILAR FASHION UPON, THE LATER OF THE EXPIRATION OF A PERIOD OF
24 TIME NOT EXCEEDING 21 YEARS AFTER THE DEATH OF THE SURVIVOR OF
25 SPECIFIED LIVES IN BEING AT THE CREATION OF THE TRUST OR OTHER
26 PROPERTY ARRANGEMENT OR THE EXPIRATION OF A PERIOD OF TIME THAT
27 EXCEEDS OR MIGHT EXCEED 21 YEARS AFTER THE DEATH OF THE SURVIVOR

1 OF LIVES IN BEING AT THE CREATION OF THE TRUST OR OTHER PROPERTY
2 ARRANGEMENT, THAT LANGUAGE IS INOPERATIVE TO THE EXTENT IT
3 PRODUCES A PERIOD OF TIME THAT EXCEEDS 21 YEARS AFTER THE DEATH
4 OF THE SURVIVOR OF THE SPECIFIED LIVES.