

ASSEMBLY BILL NO. 75—ASSEMBLYMAN GOLDWATER

PREFILED JANUARY 29, 1999

Referred to Committee on Judiciary

SUMMARY—Increases period of perpetuities in Uniform Statutory Rule Against Perpetuities from 90 years to 500 years. (BDR 10-911)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to estates in property; increasing the period of perpetuities in the Uniform Statutory Rule Against Perpetuities from 90 years to 500 years; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 111.1031 is hereby amended to read as follows:

111.1031 1. A nonvested property interest is invalid unless:

(a) When the interest is created, it is certain to vest or terminate no later than 21 years after the death of a natural person then alive; or

(b) The interest either vests or terminates within ~~99~~ 500 years after its creation.

2. A general power of appointment not presently exercisable because of a condition precedent is invalid unless:

(a) When the power is created, the condition precedent is certain to be satisfied or become impossible to satisfy no later than 21 years after the death of a natural person then alive; or

(b) The condition precedent either is satisfied or becomes impossible to satisfy within ~~99~~ 500 years after its creation.

3. A nongeneral power of appointment or a general testamentary power of appointment is invalid unless:

(a) When the power is created, it is certain to be irrevocably exercised or otherwise to terminate no later than 21 years after the death of a natural person then alive; or

1 (b) The power is irrevocably exercised or otherwise terminates within
2 ~~190~~ 500 years after its creation.

3 4. In determining whether a nonvested property interest or a power of
4 appointment is valid under paragraph (a) of subsection 1, paragraph (a) of
5 subsection 2 or paragraph (a) of subsection 3, the possibility that a child
6 will be born to a person after his or her death is disregarded.

7 5. If, in measuring a period from the creation of a trust or other
8 property arrangement, language in a governing instrument seeks to
9 disallow the vesting or termination of any interest or trust beyond, seeks to
10 postpone the vesting or termination of any interest or trust until, or seeks to
11 operate in effect in any similar fashion upon, the later of:

12 (a) The expiration of a period of time not exceeding 21 years after the
13 death of the survivor of specified lives in being at the creation of the trust
14 or other property arrangement; or

15 (b) The expiration of a period of time that exceeds or might exceed 21
16 years after the death of the survivor of lives in being at the creation of the
17 trust or other property arrangement,
18 that language is inoperative to the extent it produces a period of time that
19 exceeds 21 years after the death of the survivor of the specified lives.

20 **Sec. 2.** NRS 111.1035 is hereby amended to read as follows:

21 111.1035 Upon the petition of an interested person, a court shall
22 reform a disposition in the manner that most closely approximates the
23 transferor's manifested plan of distribution and is within the ~~190~~ 500 years
24 allowed by paragraph (b) of subsection 1, paragraph (b) of subsection 2 or
25 paragraph (b) of subsection 3 of NRS 111.1031 if:

26 1. A nonvested property interest or a power of appointment becomes
27 invalid under NRS 111.1031;

28 2. A class gift is not but might become invalid under NRS 111.1031
29 and the time has arrived when the share of any class member is to take
30 effect in possession or enjoyment; or

31 3. A nonvested property interest that is not validated by paragraph (a)
32 of subsection 1 of NRS 111.1031 can vest but not within ~~190~~ 500 years
33 after its creation.