

Amendment No. 1020

Assembly Amendment to Senate Bill No. 64 Second Reprint Proposed by: Assemblyman Anderson Amendment Box: Resolves Conflicts with: N/A Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	(BDR 10-539)
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ASSEMBLY ACTION	Initial and Date	SENATE ACTION	Initial and Date
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Amend the bill as a whole by renumbering sections 1 through 5 as sections 3 through 7 and adding new sections designated sections 1 and 2, following the enacting clause, to read 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 ~~{150}~~ 365 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

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S.B. No. 64—Makes various changes to provisions concerning conveyance of real property by deed which becomes effective upon death of grantor.

(b) The condition precedent either is satisfied or becomes impossible to satisfy within ~~{150}~~ 365 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

(b) The power is irrevocably exercised or otherwise terminates within ~~{150}~~ 365 years after its creation.

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

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

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

(b) The expiration of a period of time that exceeds or might exceed 21 years after the death of the survivor of lives in being at the creation of the trust or other property arrangement,

➔ that language is inoperative to the extent it produces a period of time that exceeds 21 years after the death of the survivor of the specified lives.

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

111.1035 Upon the petition of an interested person, a court shall reform a disposition in the manner that most closely approximates the transferor's manifested plan of distribution and is within the ~~{150}~~ 365 years allowed by paragraph (b) of subsection 1, paragraph (b) of subsection 2 or paragraph (b) of subsection 3 of NRS 111.1031 if:

1. A nonvested property interest or a power of appointment becomes invalid under NRS 111.1031;
2. A class gift is not but might become invalid under NRS 111.1031 and the time has arrived when the share of any class member is to take effect in possession or enjoyment; or
3. A nonvested property interest that is not validated by paragraph (a) of subsection 1 of NRS 111.1031 can vest but not within ~~{150}~~ 365 years after its creation.”.

Amend sec. 5, page 7, by deleting line 13 and inserting:

“**Sec. 5.** 1. This section and sections 3 to 6, inclusive, of this act become effective on July 1, 2005.

2. Sections 1 and 2 of this act become effective at 12:01 a.m. on October 1, 2005.”.

Amend the title of the bill, eleventh line, after “grantor;” by inserting:

“extending the time within which a nonvested property interest must vest or terminate;”.

Amend the summary of the bill to read as follows:

“SUMMARY—Makes various changes concerning conveyances of property. (BDR 10-539)”.

**If this amendment is adopted, the Legislative
Counsel's Digest will be changed to read as follows:**

Legislative Counsel's Digest:

Existing law allows the owner of an interest in real property to create a deed that conveys his interest in the property to another person, called a grantee, which becomes effective upon his death. The owner may designate more than one grantee to take the title of the property as any type of tenancy recognized by the State. These types of tenancy include joint tenants, tenants in common, husband and wife as community property, and community property with rights of survivorship. (NRS 111.109) Existing law also imposes taxes on transfers of real property with the exception of certain transfers. (NRS 375.020, 375.023, 375.026, 375.090)

This bill allows the owner of an interest in real property to designate a grantee or grantees to take title as sole and separate property. The spouse of the designated grantee is not required to file a quitclaim deed or disclaimer to the property when the deed is conveyed as sole and separate property. This bill also provides that if an owner of an interest in real property executes and records more than one deed which conveys the same real property and which becomes effective upon the death of the owner, the last deed that is recorded before the death of the owner is the effective deed. In addition, this bill requires the recording of such deeds and any revocations for such deeds with the county recorder before the death of the owner in order for the deeds and revocations to be effective. Upon the death of the last surviving owner in such a deed, a declaration of value of real property and a copy of the death certificate of each owner must be attached to a Death of Grantor Affidavit and recorded in the county recorder's office where the deed was recorded. This bill also exempts from

the real property transfer tax a conveyance of real property by deed which becomes effective upon the death of the grantor.

Existing law provides that certain nonvested property interests, nongeneral powers of appointment and general testamentary powers of appointment must vest or be irrevocably exercised or terminate within 90 years after creation of that interest. (NRS 111.1031) Senate Bill No. 382 of this session increased the number of years within which such interests or powers must vest or be irrevocably exercised or terminate to 150 years after creation of the interest or power.

This bill further extends the number of years within which such interests or powers must vest or be irrevocably exercised or terminate to 365 years from the creation of the interest or power.