

§111. Statutory rule against perpetuities

1. Validity of nonvested property interest. 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 an individual then alive; or [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

B. The interest either vests or terminates within 90 years after its creation. [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

[PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

2. Validity of general power of appointment subject to a condition precedent. 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 becomes impossible to satisfy no later than 21 years after the death of an individual then alive; or [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

B. The condition precedent either is satisfied or becomes impossible to satisfy within 90 years after its creation. [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

[PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

3. Validity of nongeneral or testamentary power of appointment. 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 an individual then alive; or [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

B. The power is irrevocably exercised or otherwise terminates within 90 years after its creation. [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

[PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

4. Possibility of post-death child disregarded. In determining whether a nonvested property interest or a power of appointment is valid under subsection 1, paragraph A; subsection 2, paragraph A; or subsection 3, paragraph A, the possibility that a child will be born to an individual after the individual's death is disregarded.

[PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

5. Effect of certain "later of"-type language. Language contained in a governing instrument that measures a period from the creation of a trust or other property arrangement 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 in being if the language seeks:

A. To disallow the vesting or termination of any interest or trust beyond the later of:

(1) 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; and

(2) The expiration of a period of time that exceeds or might exceed 21 years after the death of the survivor of the specified lives in being at the creation of the trust or other property arrangement; [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

B. To postpone the vesting or termination of any interest or trust until the later of:

(1) 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; and

(2) The expiration of a period of time that exceeds or might exceed 21 years after the death of the survivor of the specified lives in being at the creation of the trust or other property arrangement; or [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

C. To operate in effect in any fashion similar to that described in paragraph A or B upon the later of:

(1) 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; and

(2) The expiration of a period of time that exceeds or might exceed 21 years after the death of the survivor of the specified lives in being at the creation of the trust or other property arrangement. [PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

[PL 2017, c. 402, Pt. B, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

SECTION HISTORY

PL 2017, c. 402, Pt. B, §2 (NEW). PL 2017, c. 402, Pt. F, §1 (AFF). PL 2019, c. 417, Pt. B, §14 (AFF).

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