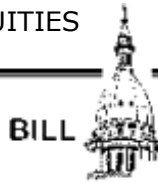




Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

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Senate Bill 1518 (as reported without amendment)  
Sponsor: Senator Alan L. Cropsey  
Committee: Judiciary

**CONTENT**

The bill would amend the Uniform Statutory Rule Against Perpetuities Act to exclude personal property from provisions that invalidate nonvested property interests unless certain conditions are met.

Specifically, under Section 2 of the Act, a nonvested property interest is invalid unless one or both of the following apply:

- When the interest is created, it is certain to vest or terminate within 21 years after the death of an individual alive at that time.
- The interest either vests or terminates within 90 years after its creation.

The bill would refer to a nonvested interest in real property, rather than a nonvested property interest.

Section 2 also describes conditions that must be satisfied in order for a power of appointment to be valid. The Act identifies specific types of property interests and powers to which Section 2 does not apply. The bill also would exclude an interest in personal property.

(A nonvested interest is an interest to which the transferee is not presently entitled and might never become entitled. A power of appointment is the authority to select the recipient of an interest.)

MCL 554.72 & 554.75

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 12-6-06

Fiscal Analyst: Stephanie Yu