

1 **SENATE FLOOR VERSION**

2 February 24, 2015

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 774

6 By: Sykes

7 An Act relating to trust property; amending 60 O.S.
8 2011, Sections 31, 32 and 175.47, which relate to
9 estates in real property and suspension of absolute
10 power of alienation; clarifying applicability of
11 provisions; providing that certain power not
12 suspended under certain circumstances; updating
13 statutory reference; clarifying application of common
14 law rule against perpetuities; repealing 60 O.S.
15 2011, Section 33, which relates to suspension of
16 power of alienation; and providing an effective date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 60 O.S. 2011, Section 31, is
19 amended to read as follows:

20 Section 31. A. The absolute power of alienation shall not be
21 suspended, by any limitation or condition whatever, for a longer
22 period than during the continuance of the lives of persons in being
23 at the creation of the limitation or condition plus twenty-one (21)
24 years, except as provided in Section 34 of Title 60 of the Oklahoma
Statutes.

B. The provisions of this section apply solely to real property
not held in trust.

1 SECTION 2. AMENDATORY 60 O.S. 2011, Section 32, is
2 amended to read as follows:

3 Section 32. A. The absolute ownership of a term of years
4 cannot be suspended for a longer period than the absolute power of
5 alienation can be suspended in respect to a fee.

6 B. The provisions of this section apply solely to real property
7 not held in trust.

8 SECTION 3. AMENDATORY 60 O.S. 2011, Section 175.47, is
9 amended to read as follows:

10 Section 175.47 A. Except as otherwise provided ~~by~~ in
11 subsection B of this section, the absolute power of alienation of
12 real and personal property, or either of them, shall not be
13 suspended by any limitations or conditions whatever for a longer
14 period than during the continuance of a life or lives of the
15 beneficiaries in being at the creation of the estate and twenty-one
16 (21) years thereafter. The absolute power of alienation is not
17 suspended if there is any person in being who, alone or in
18 combination with one or more others, has the power to sell,
19 exchange, or otherwise convey the real or personal property. If the
20 terms of a trust do not suspend the absolute power of alienation of
21 any trust property beyond the term permitted in this subsection, the
22 trust may exist in perpetuity.

23 B. The provisions of this section shall not apply when property
24 is given, granted, bequeathed, or devised to:

- 1 1. A charitable use;
- 2 2. Literary, educational, scientific, religious, or charitable
- 3 corporations for their sole use and benefit;
- 4 3. Any cemetery corporation, society or association;
- 5 4. The Department of Mental Health and Substance Abuse Services
- 6 as provided in Section ~~± 2-111~~ of ~~this act~~ Title 43A of the Oklahoma
- 7 Statutes; or
- 8 5. Gifts absolute, limited, or in trust, for the advancement of
- 9 medical science to an incorporated state society of physicians and
- 10 surgeons.
- 11 C. Except as provided in this section, the common law rule
- 12 against perpetuities shall not apply to a trust subject to the trust
- 13 laws of this state.

14 SECTION 4. REPEALER 60 O.S. 2011, Section 33, is hereby

15 repealed.

16 SECTION 5. This act shall become effective November 1, 2015.

17 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY

18 February 24, 2015 - DO PASS AS AMENDED

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