

# FINAL BILL REPORT

## SB 5054

---

---

C 60 L 01  
Synopsis as Enacted

**Brief Description:** Modifying the rule against perpetuities.

**Sponsors:** Senators Johnson and Constantine.

**Senate Committee on Judiciary**  
**House Committee on Judiciary**

**Background:** Washington law limits the time within which a person may, by trust and certain other methods, transfer a future interest in property. The transfer will be invalidated if it does not "vest" (become a property right of a specific person) within 21 years after "any life in being or conceived at the effective date of the instrument." This law is based upon a common law concept called the "rule against perpetuities."

The Washington Bar Association has proposed that this statute be modified to set a definite time of 150 years within which the vesting of these property rights must occur. The complexity of the existing rule has long plagued legal scholars and practitioners in this area of law. Commentators have suggested that this change is intended to be a simpler, more pragmatic rule which will bring certainty to the drafting of trust documents and will avoid issues of construction of the rule which have long plagued courts and attorneys practicing in this area.

**Summary:** Transfers of property by trust and certain other methods are valid if they become distributable or vest within 150 years after the effective date of the instrument.

**Votes on Final Passage:**

Senate	39	0
House	95	0

**Effective:** July 22, 2001