



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

## BILL ANALYSIS



Telephone: (517) 373-5383  
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Senate Bills 978, 979, and 980 (as reported without amendment)  
Sponsor: Senator Tonya Schuitmaker (S.B. 978 & 979)  
Senator Rick Jones (S.B. 980)  
Committee: Judiciary

**CONTENT**

Senate Bill 978 would amend the Michigan Trust Code (Chapter 7 of the Estates and Protected Individuals Code) to do the following:

- Authorize the trustee of an irrevocable trust to distribute property to the trustee of a second trust, under certain circumstances.
- Specify that certain provisions regarding the revocability of a trust would not apply to a trust created by the power to distribute property from a first trust to a second trust.
- Specify that a trustee would not be liable to a beneficiary for failure to exercise the power to distribute property from a first trust to a second trust, unless the trust instrument expressly provided otherwise.

Senate Bill 979 would amend the Personal Property Trust Perpetuities Act to revise provisions regarding the determination of the period during which vesting of a future interest in property may be postponed.

Senate Bill 980 would amend the Powers of Appointment Act to do all of the following:

- Specify that the Michigan Trust Code would govern the exercise of the power of multiple trustees.
- Authorize a trustee to appoint property in favor of the trustee of a second trust, under certain circumstances; and express legislative intent about the codification of common law regarding this authorization.
- Specify the powers of trustees and terms of second trusts when property was appointed in favor of the trustee of a second trust.
- Revise provisions regarding when the vesting of a future interest may be suspended or postponed by the exercise of a power of appointment.

MCL 700.7103 et al. (S.B. 978)  
554.92 & 554.93 (S.B. 979)  
556.112 et al. (S.B. 980)

Legislative Analyst: Patrick Affholter

**FISCAL IMPACT**

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

Date Completed: 5-9-12

Fiscal Analyst: Dan O'Connor