

HOUSE BILL NO. 4523

May 22, 2025, Introduced by Reps. Wozniak and Breen and referred to Committee on Judiciary.

A bill to amend 1998 PA 386, entitled
"Estates and protected individuals code,"
by amending sections 7105 and 7110 (MCL 700.7105 and 700.7110), as
amended by 2024 PA 1.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7105. (1) Except as ~~otherwise provided in the terms of~~
2 ~~the trust,~~ **subsection (2)**, this article governs the duties and
3 powers of a trustee, relations among trustees, and the rights and
4 interests of a trust beneficiary.

5 (2) The terms of a trust prevail over any provision of **parts 2**
6 **to 9 of** this article except the following:

(a) The requirements under sections 7401 and 7402(1)(e) for creating a trust.

(b) Except as otherwise provided in sections 7703a and 7703b, the duty of a trustee to administer a trust in accordance with section 7801.

(c) The requirement under section 7404 that the trust have a purpose that is lawful, not contrary to public policy, and possible to achieve.

(d) The duration limits specified in all of the following:

(i) Section 7408 for the care of animals.

(ii) Section 7409 for other noncharitable purpose trusts.

(iii) Section 7409a for nondisclosure periods.

(e) The power of the court to modify or terminate a trust under sections 7410, 7412(1) to (3), 7414(2), 7415, and 7416.

(f) The effect of a spendthrift provision, a support provision, and a discretionary trust provision on the rights of certain creditors and assignees to reach a trust as provided in part 5.

(g) The power of the court under section 7702 to require, dispense with, or modify or terminate a bond.

(h) The power of the court under section 7708(2) to adjust a trustee's compensation specified in the terms of the trust that is unreasonably low or high.

(i) The obligations imposed on a trust director in section 7703a(4) and (5).

(j) The power of the court to appoint a person to enforce a trust described in section 7408 or 7409.

(k) ~~(j)~~ Except as provided in section 7409a, the duty under section 7814(2)(a) to (c) to provide beneficiaries with the terms

1 of the trust and information about the trust's property, and to
 2 notify qualified trust beneficiaries of an irrevocable trust of the
 3 existence of the trust and the identity of the trustee.

4 (l) ~~(k)~~—The power of the court to order the trustee to provide
 5 statements of account and other information under section 7814(4).

6 (m) ~~(l)~~—The effect of an exculpatory term under section
 7 7703a(5) (b) or 7908.

8 (n) ~~(m)~~—The effect of a release of a trustee or trust director
 9 from liability for breach of trust under section 7703a(8).

10 (o) ~~(n)~~—The rights under sections 7910 to 7913 of a person
 11 other than a trustee or beneficiary.

12 (p) ~~(o)~~—Periods of limitation under this article for
 13 commencing a judicial proceeding.

14 (q) ~~(p)~~—The power of the court to take action and exercise
 15 jurisdiction.

16 (r) ~~(q)~~—The subject-matter jurisdiction of the court and venue
 17 for commencing a proceeding as provided in sections 7203 and 7204.

18 ~~(r) The requirement under section 7113 that a provision in a~~
 19 ~~trust that purports to penalize an interested person for contesting~~
 20 ~~the trust or instituting another proceeding relating to the trust~~
 21 ~~must not be given effect if probable cause exists for instituting a~~
 22 ~~proceeding contesting the trust or another proceeding relating to~~
 23 ~~the trust.~~

24 (s) The requirement under section 7703b(2) (d) regarding the
 25 eligibility of a trust's sole beneficiary to be a separate trustee
 26 as that term is defined in section 7703b.

27 Sec. 7110. (1) A charitable organization expressly named in
 28 the terms of a trust to receive distributions under the terms of a
 29 charitable trust has the rights of a qualified trust beneficiary

1 under this article if 1 or more of the following are applicable to
2 the charitable organization on the date the charitable
3 organization's qualification is being determined:

4 (a) The charitable organization is a distributee or
5 permissible distributee of trust income or principal.

6 (b) The charitable organization would be a distributee or
7 permissible distributee of trust income or principal on the
8 termination of the interests of other distributees or permissible
9 distributees then receiving or eligible to receive distributions.

10 (c) The charitable organization would be a distributee or
11 permissible distributee of trust income or principal if the trust
12 terminated on that date.

13 (2) A person appointed to enforce a trust created for the care
14 of an animal under section 7408 or another noncharitable trust
15 under section 7409 has the rights of a qualified trust beneficiary
16 under this article.

17 (3) ~~During~~ **Except as otherwise provided in the terms of the**
18 **trust, during** the nondisclosure period of a trust described in
19 section 7409a, a person granted a nondisclosure correlative right
20 or protection power over the trust has the rights of a qualified
21 trust beneficiary under this article.

22 (4) The attorney general of this state has the following
23 rights with respect to a charitable trust having its principal
24 place of administration in this state:

25 (a) The rights provided in the supervision of trustees for
26 charitable purposes act, 1961 PA 101, MCL 14.251 to 14.266.

27 (b) The right to notice of any judicial proceeding and any
28 nonjudicial settlement agreement under section 7111.