

2000 PUBLIC AND LOCAL ACTS

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[No. 68]

(HB 5498)

AN ACT to amend 1967 PA 224, entitled "An act relating to powers, the creation and exercise of powers, release of powers, contracts to appoint, dispositions when powers are unexercised, rights of creditors of donees of powers, computations under the rule against perpetuities, reservation of powers of revocation, and recording of instruments; and to repeal certain acts and parts of acts," by amending sections 4 and 20 (MCL 556.114 and 556.130).

*The People of the State of Michigan enact:*

556.114 Manifestation of intent to exercise. [M.S.A. 26.155(104)]

Sec. 4. Unless otherwise provided in the creating instrument, an instrument manifests an intent to exercise the power if the instrument purports to transfer an interest in the appointive property that the donee would have no power to transfer except by virtue of the power, even though the power is not recited or referred to in the instrument, or if the instrument either expressly or by necessary implication from its wording, interpreted in the light of the circumstances surrounding its drafting and execution, manifests an intent to exercise the power. Subject to the other provisions of this section, if there is a general power exercisable by will with no express gift in default in the creating instrument, a residuary clause or other general language in the donee's will purporting to dispose of all of the donee's estate or property operates to exercise the power, but in all other cases such a clause or language does not in itself manifest an intent to exercise a power exercisable by will.

556.130 Death of appointee before exercise of power; nonlapse of appointment. [M.S.A. 26.155(120)]

Sec. 20. If an attempted exercise of a power is ineffective because of an appointee's death before the effective date of the exercise, the appointment does not lapse and section 2603 of the estates and protected individuals code, 1998 PA 286, MCL 700.2603, applies.

Effective date.

Enacting section 1. This amendatory act takes effect April 1, 2000.

This act is ordered to take immediate effect.

Approved March 29, 2000.

Filed with Secretary of State March 30, 2000.

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