



Senate Fiscal Agency
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Senate Bill 1376 (as reported without amendment)
Senate Bill 1377 (Substitute S-1 as reported)
Senate Bill 1378 (as reported without amendment)
Sponsor: Senator Alan L. Cropsey (S.B. 1376)
 Senator Hansen Clarke (S.B. 1377)
 Senator Tony Stamas (S.B. 1378)
Committee: Judiciary

CONTENT

Senate Bill 1376 would amend the Michigan Trust Code, Article 7 of the Estates and Protected Individuals Code (EPIC), to do the following:

- Make the terms of a trust subject to a requirement in Article 7 that a provision in trust that purports to penalize an interested person for contesting the trust or instituting a related proceeding may not be given effect if there is probable cause for the proceeding.
- Require the trustee of a charitable trust consisting of property worth less than \$50,000 to distribute the property in a manner consistent with the purposes of the trust, upon its termination.
- Allow a trustee to employ an attorney even if he or she were associated with the trustee, and to act without independent investigation upon the attorney's recommendation.
- Delete a requirement that a trustee identify the trust estate in a contract that was properly entered into, in order to avoid personal liability on the contract.

The bill also would delete a requirement in EPIC that there be no conflict of interest between the holder of a power of appointment and the people represented, in a provision stating that, for the purpose of consenting to or approving of acts or accounts of a personal representative, the holder of a power of appointment is considered to act for the beneficiaries to the extent their interests are subject to the power.

Senate Bills 1377 (S-1) and 1378 would amend the Cemetery Regulation Act and the Prepaid Funeral and Cemetery Sales Act, respectively, to revise citations to several sections of the Michigan Trust Code.

MCL 700.1209 et al. (S.B. 1376)
456.536 (S.B. 1377)
328.222 (S.B. 1378)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Date Completed: 9-22-10

Fiscal Analyst: Bill Bowerman
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