

# HOUSE BILL No. 6083

September 25, 1990, Introduced by Reps. Jondahl, Nye and DeMars  
and referred to the Committee on Judiciary.

A bill to amend the title and sections 3, 4, and 5 of Act  
No. 13 of the Public Acts of 1968, entitled

"An act to limit the duration of possibilities of reverter and  
rights of entry in conveyances of real property in certain  
cases,"

being sections 554.63, 554.64, and 554.65 of the Michigan  
Compiled Laws; to add sections 3a and 6; and to repeal certain  
parts of the act.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. The title and sections 3, 4, and 5 of Act No. 13  
2 of the Public Acts of 1968, being sections 554.63, 554.64, and  
3 554.65 of the Michigan Compiled Laws, are amended and sections 3a  
4 and 6 are added to read as follows:

## TITLE

1  
2 An act to limit the duration of possibilities of reverter  
3 and rights of entry in conveyances of real property in certain  
4 cases; TO PRESERVE THE POSSIBILITY OF REVERTER IN CERTAIN CASES;  
5 AND TO PROVIDE FOR THE DISPOSITION OF PROPERTY UPON THE OCCUR-  
6 RENCE OF SPECIFIED CONTINGENCIES.

7 Sec. 3. (1) A right of termination under a terminable  
8 interest ~~which was created prior to the effective date of this~~  
9 ~~act~~ is unenforceable if ~~the~~ BOTH OF THE FOLLOWING CIRCUM-  
10 STANCES EXIST:

11 (A) THE specified contingency does not occur within 30 years  
12 after the DATE OF THE DEED OR OTHER INSTRUMENT OR THE DATE OF THE  
13 PROBATE OF THE WILL CREATING THE terminable interest. ~~was cre-~~  
14 ~~ated or within 1 year after the effective date of this act,~~  
15 ~~whichever is later.~~

16 (B) THE RIGHT OF TERMINATION IS NOT PRESERVED BY THE ORIGI-  
17 NAL GRANTOR OF THE TERMINABLE INTEREST AS DESCRIBED IN SECTION 5  
18 AND THE OWNER OF THE TERMINABLE INTEREST HAS COMPLIED WITH THE  
19 REQUIREMENTS OF SECTION 6.

20 (2) EXCEPT AS PROVIDED IN SECTION 3A, THIS SECTION APPLIES  
21 TO EVERY RIGHT OF TERMINATION AND TERMINABLE INTEREST REGARDLESS  
22 OF WHEN THE RIGHT OR INTEREST WAS CREATED.

23 SEC. 3A. THIS ACT SHALL NOT BE CONSTRUED TO AFFECT THE  
24 RIGHTS OF A BONA FIDE PURCHASER OF AN INTEREST CONVEYED BY A  
25 GRANTOR WHO RELIED ON PROVISIONS OF THIS ACT AS THEY WERE BEFORE  
26 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

1       Sec. 4. This act does not apply:

2       (a) To a lease for a term of years.

3       (B) TO AN EASEMENT.

4       (C) ~~(b)~~ If the specified contingency must occur, if at  
5 all, within the period of the rule against perpetuities.

6       (D) ~~(c)~~ If the terminable interest is held for public,  
7 educational, religious, or charitable purposes.

8       (E) ~~(d)~~ If the terminable interest is created in a convey-  
9 ance from the United States of America, the state, or any agency  
10 or political subdivision ~~of either of them~~ THEREOF.

11       Sec. 5. (1) ~~A right of termination may be preserved~~

12 EXCEPT AS PROVIDED IN SECTION 6, IF THE ORIGINAL GRANTOR OF THE  
13 TERMINABLE INTEREST IS THE OWNER OF THE PROPERTY ADJACENT TO THE  
14 PROPERTY SUBJECT TO THE RIGHT OF TERMINATION, HE OR SHE MAY PRE-  
15 SERVE THE RIGHT OF TERMINATION by the recording, within a period  
16 of not less than 25 nor more than 30 years after creation of the  
17 terminable interest or within ~~1 year~~ 3 YEARS after the effec-  
18 tive date of ~~this~~ THE AMENDATORY act THAT ADDED SECTION 6,

19 whichever is later, of a written notice that the ~~owner of such~~  
20 ~~right of termination desires to preserve the same, such~~ ORIGINAL  
21 GRANTOR OF THE TERMINABLE INTEREST IS PRESERVING THE RIGHT OF  
22 TERMINATION. THE notice ~~to~~ SHALL be recorded ~~in~~ WITH the reg-  
23 ister of deeds ~~office of~~ IN the county where the real property  
24 subject to ~~such~~ THE right of termination is' located. ~~Such~~ A  
25 notice RECORDED UNDER THIS SECTION shall be verified by oath,  
26 ~~shall~~ describe the land involved and the nature of ~~such~~ THE  
27 right of termination, including the specified contingency, and

1 ~~shall~~ state the name and address of the ~~owner of such right of~~  
2 ~~termination~~ ORIGINAL GRANTOR OF THE TERMINABLE INTEREST. The  
3 recording of ~~such~~ THE notice shall operate to preserve ~~such~~  
4 THE right of termination from the operation of this act for a  
5 period of 30 years from the date ~~of recording of such notice~~  
6 THE NOTICE WAS RECORDED.

7 (2) A RIGHT OF TERMINATION MAY CONTINUE TO BE PRESERVED FOR  
8 SUCCESSIVE PERIODS OF 30 YEARS BY THE ORIGINAL GRANTOR OF THE  
9 TERMINABLE INTEREST RECORDING A NOTICE, MEETING THE REQUIREMENTS  
10 OF THIS SECTION, BEFORE THE EXPIRATION OF THE 30-YEAR PERIOD  
11 DURING WHICH A RIGHT OF TERMINATION WAS PREVIOUSLY PRESERVED  
12 UNDER THIS SECTION.

13 (3) EXCEPT AS PROVIDED IN SECTION 3A, A RIGHT OF TERMINATION  
14 PRESERVED UNDER THIS SECTION AFTER THE EFFECTIVE DATE OF THE  
15 AMENDATORY ACT THAT ADDED SECTION 6 SHALL HAVE THE SAME LEGAL  
16 EFFECT AS IF IT HAD BEEN PROPERLY RECORDED UNDER THIS SECTION  
17 PRIOR TO THE AMENDATORY ACT THAT ADDED SECTION 6.

18 SEC. 6. (1) AN OWNER OF A TERMINABLE INTEREST WHO INTENDS  
19 TO RELY UPON THE PROVISIONS OF THIS ACT SHALL DO ALL OF THE  
20 FOLLOWING:

21 (A) GIVE ACTUAL NOTICE CONSISTENT WITH SUBSECTION (2) TO THE  
22 ORIGINAL GRANTOR OF THE TERMINABLE INTEREST OF THE OWNER'S INTEN-  
23 TION TO RELY UPON THE PROVISIONS OF THIS ACT.

24 (B) ERECT AND POST UPON THE REAL PROPERTY SUBJECT TO THE  
25 TERMINABLE INTEREST, IN LOCATIONS REASONABLY EXPECTED TO BE VISI-  
26 BLE TO THOSE OWNING AND OCCUPYING THE ADJACENT PROPERTY, NOTICE  
27 OF THE OWNER'S INTENT TO RELY UPON THE PROVISIONS OF THIS ACT.

1 (C) PUBLISH IN A NEWSPAPER, PUBLISHED AND DISTRIBUTED WITHIN  
2 THE COUNTY WHERE THE PROPERTY IS LOCATED AND HAVING COUNTY-WIDE  
3 CIRCULATION, FOR A PERIOD OF 4 SUCCESSIVE WEEKS, THE OWNER'S  
4 INTENT TO RELY UPON THE PROVISIONS OF THIS ACT.

5 (2) THE NOTIFICATION, POSTING, AND PUBLICATION PROVISIONS  
6 SET FORTH IN THIS SECTION SHALL BE REASONABLY CALCULATED TO GIVE  
7 NOTICE TO THE ORIGINAL GRANTOR OF THE TERMINABLE INTEREST AND  
8 SHALL CONTAIN INFORMATION AS IS REASONABLE TO NOTIFY THE ORIGINAL  
9 GRANTOR OF THE TERMINABLE INTEREST OF THE EFFECT THAT THIS ACT  
10 WOULD HAVE UPON HIS OR HER RIGHTS, AND SHALL INCLUDE, BUT NOT BE  
11 LIMITED TO, THE FOLLOWING INFORMATION:

12 (A) THE NAME AND LAST KNOWN ADDRESS OF THE ORIGINAL GRANTOR  
13 OF THE TERMINABLE INTEREST.

14 (B) A SPECIFIC DESCRIPTION OF THE PROPERTY AFFECTED.

15 (C) THE NAME AND ADDRESS OF THE PARTY OR PARTIES WHO INTEND  
16 TO RELY UPON THE PROVISIONS OF THIS ACT, OR THAT PERSON'S ATTOR-  
17 NEY OR DESIGNATED REPRESENTATIVE.

18 (3) UPON RECEIPT OF THE NOTICE OR INFORMATION REQUIRED TO BE  
19 DELIVERED, POSTED, OR PUBLISHED BY THIS SECTION, THE ORIGINAL  
20 GRANTOR OF THE TERMINABLE INTEREST SHALL HAVE THE RIGHT, FOR A  
21 PERIOD OF 90 DAYS AFTER RECEIVING THE NOTICE, TO RECORD A NOTICE  
22 OF PRESERVING THE RIGHT OF TERMINATION AS PROVIDED IN SECTION 5.  
23 UPON THE RECORDING OF THE NOTICE, THE RIGHT OF TERMINATION SHALL  
24 BE PRESERVED IN THE SAME MANNER AS IF IT HAD BEEN RECORDED IN  
25 ACCORDANCE WITH SECTION 5.

1       Section 2.   Section 2 of Act No. 13 of the Public Acts of  
2 1968, being section 554.62 of the Michigan Compiled Laws, is  
3 repealed.