

HOUSE BILL No. 6695

November 30, 2006, Introduced by Reps. Vander Veen, Zelenko, Green, Shaffer, Pastor, Farrah, Emmons, Newell and Proos and referred to the Committee on Senior Health, Security, and Retirement.

A bill to amend 1846 RS 65, entitled

"Of alienation by deed, and the proof and recording of conveyances, and the canceling of mortgages,"

(MCL 565.1 to 565.49) by adding section 50.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 50. (1) AS USED IN THIS SECTION:

2 (A) "BENEFICIARY DEED" MEANS A DEED AUTHORIZED UNDER THIS
3 SECTION.

4 (B) "OWNER" MEANS ANY PERSON WHO EXECUTES A BENEFICIARY DEED
5 AS PROVIDED IN THIS SECTION.

6 (2) A DEED THAT CONVEYS AN INTEREST IN REAL PROPERTY,
7 INCLUDING ANY DEBT SECURED BY A LIEN ON REAL PROPERTY, TO A
8 GRANTEE BENEFICIARY DESIGNATED BY THE OWNER AND THAT EXPRESSLY
9 STATES THAT THE DEED IS EFFECTIVE ON THE DEATH OF THE OWNER
10 TRANSFERS THE INTEREST TO THE DESIGNATED GRANTEE BENEFICIARY

1 EFFECTIVE ON THE DEATH OF THE OWNER SUBJECT TO ALL CONVEYANCES,
2 ASSIGNMENTS, CONTRACTS, MORTGAGES, DEEDS OF TRUST, LIENS,
3 SECURITY PLEDGES, AND OTHER ENCUMBRANCES MADE BY THE OWNER OR TO
4 WHICH THE OWNER WAS SUBJECT DURING THE OWNER'S LIFETIME.

5 (3) A BENEFICIARY DEED MAY DESIGNATE MULTIPLE GRANTEEES WHO
6 TAKE TITLE AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP, TENANTS
7 IN COMMON, OR ANY OTHER TENANCY THAT IS VALID UNDER THE LAWS OF
8 THIS STATE.

9 (4) A BENEFICIARY DEED MAY DESIGNATE A SUCCESSOR GRANTEE
10 BENEFICIARY. IF THE BENEFICIARY DEED DESIGNATES A SUCCESSOR
11 GRANTEE BENEFICIARY, THE DEED SHALL STATE THE CONDITION ON WHICH
12 THE INTEREST OF THE SUCCESSOR GRANTEE BENEFICIARY WOULD VEST.

13 (5) IF REAL PROPERTY IS OWNED AS JOINT TENANTS WITH THE
14 RIGHT OF SURVIVORSHIP, A DEED THAT CONVEYS AN INTEREST IN THE
15 REAL PROPERTY TO A GRANTEE BENEFICIARY DESIGNATED BY ALL OF THE
16 THEN SURVIVING OWNERS AND THAT EXPRESSLY STATES THAT THE DEED IS
17 EFFECTIVE ON THE DEATH OF THE LAST SURVIVING OWNER TRANSFERS THE
18 INTEREST TO THE DESIGNATED GRANTEE BENEFICIARY EFFECTIVE ON THE
19 DEATH OF THE LAST SURVIVING OWNER. IF A BENEFICIARY DEED IS
20 EXECUTED BY FEWER THAN ALL OF THE OWNERS OF REAL PROPERTY OWNED
21 AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP OR COMMUNITY PROPERTY
22 WITH RIGHT OF SURVIVORSHIP, THE BENEFICIARY DEED IS VALID IF THE
23 LAST SURVIVING OWNER IS 1 OF THE PERSONS WHO EXECUTES THE
24 BENEFICIARY DEED. IF THE LAST SURVIVING OWNER DID NOT EXECUTE THE
25 BENEFICIARY DEED, THE TRANSFER LAPSES AND THE DEED IS VOID. AN
26 ESTATE IN JOINT TENANCY WITH RIGHT OF SURVIVORSHIP IS NOT
27 AFFECTED BY THE EXECUTION OF A BENEFICIARY DEED THAT IS EXECUTED

1 BY FEWER THAN ALL OF THE OWNERS OF THE REAL PROPERTY, AND THE
2 RIGHTS OF A SURVIVING JOINT TENANT WITH RIGHT OF SURVIVORSHIP
3 PREVAILS OVER A GRANTEE BENEFICIARY NAMED IN A BENEFICIARY DEED.

4 (6) A BENEFICIARY DEED IS VALID ONLY IF THE DEED IS EXECUTED
5 AND RECORDED AS PROVIDED BY LAW IN THE OFFICE OF THE COUNTY
6 REGISTER OF DEEDS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED
7 BEFORE THE DEATH OF THE OWNER OR THE LAST SURVIVING OWNER. A
8 BENEFICIARY DEED MAY BE USED TO TRANSFER AN INTEREST IN REAL
9 PROPERTY TO THE TRUSTEE OF A TRUST EVEN IF THE TRUST IS
10 REVOCABLE.

11 (7) A BENEFICIARY DEED MAY BE REVOKED AT ANY TIME BY THE
12 OWNER OR, IF THERE IS MORE THAN 1 OWNER, BY ANY OF THE OWNERS WHO
13 EXECUTED THE BENEFICIARY DEED. TO BE EFFECTIVE, THE REVOCATION
14 MUST BE EXECUTED AND RECORDED AS PROVIDED BY LAW IN THE OFFICE OF
15 THE COUNTY REGISTER OF DEEDS OF THE COUNTY IN WHICH THE REAL
16 PROPERTY IS LOCATED BEFORE THE DEATH OF THE OWNER WHO EXECUTES
17 THE REVOCATION. IF THE REAL PROPERTY IS OWNED AS JOINT TENANTS
18 WITH RIGHT OF SURVIVORSHIP AND IF THE REVOCATION IS NOT EXECUTED
19 BY ALL THE OWNERS, THE REVOCATION IS NOT EFFECTIVE UNLESS
20 EXECUTED BY THE LAST SURVIVING OWNER.

21 (8) IF AN OWNER EXECUTES AND RECORDS MORE THAN 1 BENEFICIARY
22 DEED CONCERNING THE SAME REAL PROPERTY, THE LAST BENEFICIARY DEED
23 THAT IS RECORDED BEFORE THE OWNER'S DEATH IS THE EFFECTIVE
24 BENEFICIARY DEED.

25 (9) THIS SECTION DOES NOT PROHIBIT OTHER METHODS OF
26 CONVEYING PROPERTY THAT ARE PERMITTED BY LAW AND THAT HAVE THE
27 EFFECT OF POSTPONING ENJOYMENT OF AN INTEREST IN REAL PROPERTY

1 UNTIL THE DEATH OF THE OWNER. THIS SECTION DOES NOT INVALIDATE
 2 ANY DEED OTHERWISE EFFECTIVE BY LAW TO CONVEY TITLE TO THE
 3 INTERESTS AND ESTATES PROVIDED IN THE DEED THAT IS NOT RECORDED
 4 UNTIL AFTER THE DEATH OF THE OWNER.

5 (10) THE SIGNATURE, CONSENT, OR AGREEMENT OF OR NOTICE TO A
 6 GRANTEE BENEFICIARY OF A BENEFICIARY DEED IS NOT REQUIRED FOR ANY
 7 PURPOSE DURING THE LIFETIME OF THE OWNER.

8 (11) A BENEFICIARY DEED THAT IS EXECUTED, ACKNOWLEDGED, AND
 9 RECORDED IN ACCORDANCE WITH THIS SECTION IS NOT REVOKED BY THE
 10 PROVISIONS OF A WILL.

11 (12) A BENEFICIARY DEED IS SUFFICIENT IF IT COMPLIES WITH
 12 OTHER APPLICABLE LAWS AND IF IT IS IN SUBSTANTIALLY THE FOLLOWING
 13 FORM:

14 BENEFICIARY DEED

15 I (WE) _____ (OWNER) HEREBY CONVEY TO
 16 _____ (GRANTEE BENEFICIARY) EFFECTIVE ON
 17 MY (OUR) DEATH THE FOLLOWING DESCRIBED REAL PROPERTY:

18
 19 (LEGAL DESCRIPTION)
 20 _____

21 NOTICE: BY SIGNING THIS DEED, A MARRIED PERSON IS SURRENDERING
 22 RIGHTS THAT HE OR SHE MIGHT OTHERWISE HAVE IN THE PROPERTY.

23 DATED THIS _____ DAY OF _____, ____.

24 WITNESSES: _____ SIGNED BY: _____

25 _____

26 _____

27 _____

28 STATE OF MICHIGAN } _____

1 COUNTY OF _____ }

2 THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME

3 THIS _____ DAY OF _____ BY _____ .

4 _____
5 NOTARY PUBLIC,

6 _____ COUNTY, MICHIGAN

7 MY COMMISSION EXPIRES _____ , ____ .

8 (13) THE INSTRUMENT OF REVOCATION SHALL BE SUFFICIENT IF IT

9 COMPLIES WITH OTHER APPLICABLE LAWS AND IS IN SUBSTANTIALLY THE

10 FOLLOWING FORM:

11 REVOCATION OF BENEFICIARY DEED

12 THE UNDERSIGNED HEREBY REVOKES THE BENEFICIARY DEED

13 RECORDED ON _____ (DATE) , IN DOCKET OR BOOK _____

14 AT PAGE _____ , OR INSTRUMENT NUMBER _____ , RECORDS OF

15 _____ COUNTY, MICHIGAN.

16 DATED THIS _____ DAY OF _____ , ____ .

17 WITNESSES: SIGNED BY:

18 _____

19 _____

20 _____

21 STATE OF MICHIGAN } _____

22 COUNTY OF _____ }

23 THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME

24 THIS _____ DAY OF _____ BY _____ .

25 _____
26 NOTARY PUBLIC,

27 _____ COUNTY, MICHIGAN

28 MY COMMISSION EXPIRES _____ , ____ .