

# HOUSE BILL No. 5398

January 11, 2018, Introduced by Rep. Lucido and referred to the Committee on Judiciary.

A bill to amend 1991 PA 133, entitled

"An act to allow the use and recording of certain documents regarding trusts in the case of real property that is conveyed or otherwise affected by a trust; and to prescribe their effect,"

by amending the title and sections 1 and 5 (MCL 565.431 and 565.435); and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to allow the use ~~and recording~~ of certain documents  
3 regarding trusts ~~in the case of~~ **FOR** real property that is conveyed  
4 or otherwise affected by a trust; and to prescribe their effect.

5 Sec. 1. An instrument ~~conveying, encumbering,~~ **THAT CONVEYS,**  
6 **ENCUMBERS,** or otherwise ~~affecting an interest in~~ **AFFECTS** real  
7 property, executed pursuant to an express trust, may be accompanied  
8 ~~either by a~~ **EITHER OF THE FOLLOWING:**

1       (A) A copy of ~~the EACH OPERATIVE~~ trust agreement ~~or by a~~  
 2 INSTRUMENT. AS USED IN THIS SUBDIVISION, "TRUST INSTRUMENT" MEANS  
 3 THAT TERM AS DEFINED IN SECTION 7103 OF THE ESTATES AND PROTECTED  
 4 INDIVIDUALS CODE, 1998 PA 386, MCL 700.7103.

5       (B) A certificate of trust ~~existence and authority, as~~  
 6 ~~described in sections 2 and 3.~~ UNDER SECTION 7913 OF THE ESTATES AND  
 7 PROTECTED INDIVIDUALS CODE, 1998 PA 386, MCL 700.7913, THAT  
 8 INCLUDES THE LEGAL DESCRIPTION OF THE AFFECTED REAL PROPERTY.

9       Sec. 5. A purchaser or other party relying ~~upon~~ ON the  
 10 information ~~contained~~ INCLUDED in a recorded certificate of trust  
 11 ~~existence and authority shall be afforded~~ UNDER SECTION 7913 OF THE  
 12 ESTATES AND PROTECTED INDIVIDUALS CODE, 1998 PA 386, MCL 700.7913,  
 13 HAS the same protection as is provided to a subsequent purchaser in  
 14 good faith under section 29 of ~~chapter 65 of the Revised Statutes~~  
 15 ~~of 1846 RS 65, being section MCL 565.29. of the Michigan Compiled~~  
 16 ~~Laws, and shall~~ A PURCHASER OR OTHER PARTY DESCRIBED IN THIS  
 17 SECTION IS not ~~be~~ required to further examine the trust agreement,  
 18 INSTRUMENT, unless an instrument amending or revoking the trust  
 19 agreement ~~INSTRUMENT~~ or certificate of trust ~~existence and~~  
 20 ~~authority~~ UNDER SECTION 7913 OF THE ESTATES AND PROTECTED  
 21 INDIVIDUALS CODE, 1998 PA 386, MCL 700.7913, is recorded in the  
 22 same office in which the trust agreement ~~INSTRUMENT~~ or certificate  
 23 of trust ~~existence and authority~~ UNDER SECTION 7913 OF THE ESTATES  
 24 AND PROTECTED INDIVIDUALS CODE, 1998 PA 386, MCL 700.7913, was  
 25 recorded. AS USED IN THIS SECTION, "TRUST INSTRUMENT" MEANS THAT  
 26 TERM AS DEFINED IN SECTION 7103 OF THE ESTATES AND PROTECTED  
 27 INDIVIDUALS CODE, 1998 PA 386, MCL 700.7103.

- 1** Enacting section 1. Sections 2, 3, 4, and 6 of 1991 PA 133,  
**2** MCL 565.432, 565.433, 565.434, and 565.436, are repealed.