

ESTATES AND PROTECTED INDIVIDUALS CODE (EXCERPT)
Act 386 of 1998
Part 2
JUDICIAL PROCEEDINGS

700.7201 Role of court in administration of trust.

Sec. 7201.

(1) A court of this state may intervene in the administration of a trust to the extent its jurisdiction is invoked by an interested person or as provided by law.

(2) A trust is not subject to continuing judicial supervision unless ordered by the court. Registration of a trust or another proceeding concerning a trust does not result in continuing judicial supervision unless ordered by the court. Subject to court jurisdiction as invoked by an interested person or as otherwise exercised as provided by law, the management and distribution of a trust estate, submission of an account or report to beneficiaries, payment of a trustee's fees and other trust obligations, acceptance and change of trusteeship, and any other aspect of trust administration shall proceed expeditiously consistent with the terms of the trust, free of judicial intervention, and without court order or approval or other court action.

(3) A proceeding involving a trust may relate to any matter involving the trust's administration, including a request for instructions and a determination regarding the validity, internal affairs, or settlement of a trust; the administration, distribution, modification, reformation, or termination of a trust; or the declaration of rights that involve a trust, trustee, or trust beneficiary, including, but not limited to, proceedings to do any of the following:

(a) Appoint or remove a trustee.

(b) Review the fees of a trustee.

(c) Require, hear, and settle interim or final accounts.

(d) Ascertain beneficiaries.

(e) Determine a question that arises in the administration or distribution of a trust, including a question of construction of a trust.

(f) Instruct a trustee and determine relative to a trustee the existence or nonexistence of an immunity, power, privilege, duty, or right.

(g) Release registration of a trust.

(h) Determine an action or proceeding that involves settlement of an irrevocable trust.

History: 1998, Act 386, Eff. Apr. 1, 2000 ;-- Am. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC

700.7202 Jurisdiction over trustee and beneficiaries.

Sec. 7202.

(1) By registering a trust or accepting the trusteeship of a registered trust or a trust having its principal place of administration in this state or by moving the principal place of administration to this state, the trustee submits personally to the jurisdiction of the courts of this state regarding any matter involving the trust. Notice of a proceeding shall be given to the trustee in accordance with section 1401 at the trustee's address as stated in the registration or as reported to the court and to the trustee's address then known to the petitioner.

(2) For purposes of a proceeding commenced by a trust beneficiary before registration, a trustee of a trust that is not registered in a proper place is subject to the personal jurisdiction of a court in which the trust could have been registered. In addition, a trustee who, within 28 days after receipt of a written demand by a trust settlor or beneficiary, fails to register a trust as required by the terms of the trust is subject to removal and denial of compensation or to surcharge as the court may direct.

(3) With respect to their interests in the trust, the beneficiaries of a trust having its principal place of administration or having been properly registered in this state are subject to the jurisdiction of the courts of this state regarding any matter involving the trust. By accepting a distribution from such a trust, the recipient submits personally to the jurisdiction of the courts of this state regarding any matter involving the trust.

(4) This section does not preclude other methods of obtaining jurisdiction over a trustee, beneficiary, or other person who receives property from the trust.

History: 1998, Act 386, Eff. Apr. 1, 2000 ;-- Am. 2009, Act 46, Eff. Apr. 1, 2010
Popular Name: EPIC

700.7203 Subject matter jurisdiction.

Sec. 7203.

(1) The court has exclusive jurisdiction of proceedings in this state brought by a trustee or beneficiary that concern the administration of a trust as provided in section 1302(b) and (d).

(2) The court has concurrent jurisdiction with other courts of this state of other proceedings that involve a trust as provided in section 1303.

History: 1998, Act 386, Eff. Apr. 1, 2000 ;-- Am. 2009, Act 46, Eff. Apr. 1, 2010
Popular Name: EPIC

700.7204 Venue.

Sec. 7204.

(1) Except as otherwise provided in subsection (2), venue for a proceeding involving a trust is as follows:

(a) For a proceeding under section 7203 involving a registered trust, in the place of registration.

(b) For a proceeding under section 7203 involving a trust not registered in this state, in any place where the trust properly could be registered and, if the trust is created by will and the estate is not yet closed, in the county in which the decedent's estate is being administered.

(c) As otherwise specified by court rule.

(2) If a trust has no trustee and has not been registered, venue for a judicial proceeding for the appointment of a trustee is as follows:

(a) In a county in this state in which a trust beneficiary resides.

(b) In a county in which any trust property is located.

(c) If the trust is created by will, in the county in which the decedent's estate was or is being administered.

(d) As otherwise provided by court rule.

History: 1998, Act 386, Eff. Apr. 1, 2000 ;-- Am. 2009, Act 46, Eff. Apr. 1, 2010
Popular Name: EPIC

700.7205 Trust proceedings; dismissal of matters relating to foreign trusts.

Sec. 7205.

(1) If a party objects, the court shall not entertain a proceeding under section 7203 that involves a trust that is registered or that has its principal place of administration in another state, unless either of the following applies:

(a) All appropriate parties could not be bound by litigation in the courts of the state where the trust is registered or has its principal place of administration.

(b) The interests of justice would otherwise be seriously impaired.

(2) The court may condition a stay or dismissal of a proceeding under this section on the consent of a party to jurisdiction of the state in which the trust is registered or has its principal place of business, grant a continuance, or enter another appropriate order.

History: 1998, Act 386, Eff. Apr. 1, 2000 ;-- Am. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC

700.7206 Court; concurrent jurisdiction of litigation involving trusts and third parties.

Sec. 7206.

The court where a trust is registered has concurrent jurisdiction with other courts of this state of an action or proceeding to determine the existence or nonexistence of the trust if created other than by will, of an action or proceeding against a creditor or debtor of the trust, and of another action or proceeding that involves a trustee and a third party.

History: 1998, Act 386, Eff. Apr. 1, 2000 ;-- Am. 2000, Act 54, Eff. Apr. 1, 2000 ;-- Am. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC

700.7207 Proceedings; review of employment of agents and compensation of trustee and employees of trustee.

Sec. 7207.

On petition of an interested person, after notice to all other interested persons, the court may review the propriety of the employment of a person by a trustee including an attorney, auditor, investment advisor, or other specialized agent or assistant and the reasonableness of the compensation of the person so employed or the reasonableness of the compensation determined by the trustee for the trustee's own services. The court may order a person who receives excessive compensation from a trust to make an appropriate refund.

History: 1998, Act 386, Eff. Apr. 1, 2000 ;-- Am. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC

700.7208 Trust proceedings; initiation by notice; interested persons.

Sec. 7208.

A proceeding under section 7203 is initiated by filing a petition in the court and giving notice to interested persons as provided in section 1401. The court may order notification of additional persons. A judgment or order binds each person who is given notice of the proceeding even if not all interested persons are notified.

History: Add. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC

700.7209 Registration of trust.

Sec. 7209.

(1) The trustee of a trust that has its principal place of administration in this state may register the trust in the court at the place designated in the terms of the trust or, if none is designated, then at the principal place of administration. For purposes of this article, the principal place of the trust's administration is the trustee's usual place of business where the records pertaining to the trust are kept or the trustee's residence if the trustee does not

have such a place of business. For a corporate trustee, the usual place of business is the business location of the primary trust officer for the trust.

(2) For cotrustees, if not designated in the terms of the trust, the principal place of administration is 1 of the following:

(a) If there is only 1 corporate cotrustee, the corporate trustee's usual place of business.

(b) If there is only 1 professional fiduciary who is an individual and no corporate trustee, the professional fiduciary's usual place of business or residence.

(c) If neither subdivision (a) nor (b) applies, the usual place of business or residence of any of the cotrustees as agreed upon by them.

History: Add. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC

700.7210 Registration procedures.

Sec. 7210.

(1) A trust is registered by the filing of a statement that states the trustee's name and address and in which the trustee acknowledges the trusteeship. The statement shall indicate if the trust has been registered elsewhere. The statement shall identify the trust in 1 of the following manners:

(a) For a trust created by will, by the name of the testator and the date and place of domiciliary probate.

(b) For a written inter-vivos trust, by the name of each settlor and the original trustee and the date of the trust instrument and all amendments existing on the date of registration.

(c) For an oral trust, by information identifying the settlor or other source of property and describing the trust's time and manner of creation and the terms of the trust, including the subject matter, beneficiaries, and time of performance.

(2) The trust instrument is not required to be filed with the court as part of the registration of a trust. If a trust is registered elsewhere, registration in this state is ineffective until the earlier registration is released by order of the court where that registration occurred or by an instrument executed by the trustee and all qualified trust beneficiaries. The order or instrument shall be filed with the registration in this state.

History: Add. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC

700.7211 Registration; qualification of foreign trustee.

Sec. 7211.

A foreign corporate trustee is required to qualify as a foreign corporation doing business in this state if it maintains a trust's principal place of administration in this state. A foreign cotrustee is not required to qualify in this state solely because its cotrustee maintains the principal place of administration in this state. Unless otherwise doing business in this state, local qualification by a foreign trustee, corporate or individual, is not required for the trustee to receive distribution from a local estate, to hold, invest in, manage, or acquire property located in this state, or to maintain litigation. This section does not affect a determination of what other acts require qualification as doing business in this state.

History: Add. 2009, Act 46, Eff. Apr. 1, 2010

Popular Name: EPIC