

# SENATE BILL No. 386

March 17, 2009, Introduced by Senator KUIPERS and referred to the Committee on Judiciary.

A bill to amend 1967 PA 224, entitled  
"Powers of appointment act of 1967,"  
by amending section 13 (MCL 556.123).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 13. (1) If ~~the~~**A** donee has a general power of  
2       appointment, any interest ~~which~~**THAT** the donee has power to appoint  
3       or has appointed is to be treated as property of the donee for the  
4       purposes of satisfying claims of ~~his~~**THE DONEE'S** creditors, as  
5       provided in this section.

6       (2) If ~~the~~**A** donee has an unexercised general power of  
7       appointment and ~~he~~**THE DONEE** can presently exercise such a power,  
8       any creditor of the donee may by appropriate proceedings reach any  
9       interest ~~which~~**THAT** the donee could appoint, to the extent that the  
10      donee's individual assets are insufficient to satisfy the  
11      creditor's claim. If the donee has exercised the power, the

Senate Bill No. 386 as amended June 3, 2009

1 creditor can reach the appointed interests to the same extent that  
2 under the law relating to fraudulent conveyances ~~he~~ **THE CREDITOR**  
3 could reach property ~~which~~ **THAT** the donee has owned and  
4 transferred.

5 (3) If ~~the~~ **A** donee has at the time of his **OR HER** death a  
6 general power of appointment, whether or not he **OR SHE** exercises  
7 the power, the ~~executor~~ **PERSONAL REPRESENTATIVE** or other legal  
8 representative of the donee may reach on behalf of creditors any  
9 interest ~~which~~ **THAT** the donee could have appointed to the extent  
10 that the claim of ~~any~~ **A** creditor has been filed and allowed in the  
11 donee's estate but not paid because the assets of the estate are  
12 insufficient.

13 (4) Under a general assignment by ~~the~~ **A** donee for the benefit  
14 of ~~his~~ **THE DONEE'S** creditors, the assignee may exercise any right  
15 ~~which~~ **THAT** a creditor of the donee would have under subsection (2).

16 (5) A purchaser without actual notice and for a valuable  
17 consideration of any interest in property, legal or equitable,  
18 takes the interest free of any rights ~~which~~ **THAT** the donee's estate  
19 or a creditor of the donee ~~might have~~ **HAS** under this section.

20 (6) If more than 1 person is the donee of a general power of  
21 appointment, it shall be presumed that the interests of the donees  
22 in the property subject to the power ~~is~~ **ARE** equally owned among  
23 them unless the creating instrument indicates otherwise.

24 (7) **THE LAPSE, RELEASE, WAIVER, OR DISCLAIMER OF A POWER OF**  
25 **APPOINTMENT GIVEN TO A DONEE BY A DONOR IS NOT A GIFT, CONVEYANCE,**  
26 **TRANSFER, OR ASSIGNMENT OF PROPERTY BY THE DONEE.**

[Enacting section 1. This amendatory act takes effect April 1,  
2010.]

27 Enacting section [2]. This amendatory act does not take effect

1 unless Senate Bill No. 387

2 of the 95th Legislature is enacted into law.