

ESTATES AND PROTECTED INDIVIDUALS CODE (EXCERPT)
Act 386 of 1998

700.2716 No substitute taker; lapse.

Sec. 2716.

(1) Except as provided in subsection (2), if, after the application of sections 2714 and 2715, there is no surviving taker, the property passes in the following order:

(a) If the trust is created in a nonresiduary devise in the transferor's will or in a codicil to the transferor's will, the property passes under the residuary clause in the transferor's will. For purposes of this section, the residuary clause is treated as creating a future interest under the terms of a trust.

(b) If a taker is not produced by the application of subdivision (a), the property passes to the transferor's heirs under section 2720.

(2) If, after the application of sections 2714 and 2715, there is no surviving taker and if the future interest was created by the exercise of a power of appointment, the following apply:

(a) The property passes under the donor's gift-in-default clause, if any, which clause is treated as creating a future interest under the terms of a trust.

(b) If a taker is not produced by the application of subdivision (a), the property passes as provided in subsection (1). For purposes of subsection (1), "transferor" means the donor if the power was a nongeneral power and means the donee if the power was a general power.

History: 1998, Act 386, Eff. Apr. 1, 2000

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