

HOUSE BILL No. 4270

February 14, 2007, Introduced by Rep. Vagnozzi and referred to the Committee on Judiciary.

A bill to amend 1998 PA 386, entitled
"Estates and protected individuals code,"
by amending section 3805 (MCL 700.3805), as amended by 2000 PA 177.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3805. (1) If the applicable estate property is
2 insufficient to pay all claims and allowances in full, the personal
3 representative shall make payment in the following order of
4 priority:

5 (a) Costs and expenses of administration.

6 (b) Reasonable funeral and burial expenses.

7 (c) Homestead allowance.

8 (d) Family allowance.

9 (e) Exempt property.

10 (f) Debts and taxes with priority under federal law,

1 INCLUDING, BUT NOT LIMITED TO, MEDICAL ASSISTANCE PAYMENTS THAT ARE
2 SUBJECT TO ADJUSTMENT OR RECOVERY FROM AN ESTATE UNDER SECTION 1917
3 OF THE SOCIAL SECURITY ACT, 42 USC 1396P.

4 (g) Reasonable and necessary medical and hospital expenses of
5 the decedent's last illness, including a compensation of persons
6 attending the decedent.

7 (h) Debts and taxes with priority under other laws of this
8 state.

9 (i) All other claims.

10 (2) A preference shall not be given in the payment of a claim
11 over another claim of the same class, and a claim due and payable
12 is not entitled to a preference over a claim not due.

13 (3) If there are insufficient assets to pay all claims in full
14 or to satisfy homestead allowance, family allowance, and exempt
15 property, the personal representative shall certify the amount and
16 nature of the deficiency to the trustee of a trust described in
17 section 7501(1) for payment by the trustee in accordance with
18 section 7502. If the personal representative is aware of other
19 nonprobate transfers that may be liable for claims and allowances,
20 then, unless the will provides otherwise, the personal
21 representative shall proceed to collect the deficiency in a manner
22 reasonable under the circumstances so that each nonprobate
23 transfer, including those made under a trust described in section
24 7501(1), bears a proportionate share or equitable share of the
25 total burden.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 94th Legislature are

1 enacted into law:

2 (a) Senate Bill No.____ or House Bill No.____ (request no.
3 01371'07).

4 (b) Senate Bill No.____ or House Bill No. 4269 (request no.
5 01372'07).