



Senate Fiscal Agency
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Senate Bill 192 (as reported without amendment)
Sponsor: Senator Bruce Caswell
Committee: Judiciary

CONTENT

The bill would amend the Revised Judicature Act to require the amount of a mortgage to be deducted from the value of real property in a decedent's estate, for purposes of calculating the amount of the probate court administration fee.

Under the Act, in decedents' estates in which probate proceedings are instituted, the probate court must collect a fee as an expense of administration on the value of all assets, as of the date of death. The Act establishes a range of fees based on the value of an estate.

Under the bill, if real property included in an estate were encumbered by or used as security for an indebtedness, the amount of the indebtedness would have to be deducted from the value of the real property, in the calculation of the administration fee.

MCL 600.871

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

To the extent that the bill reduced the applicable value of decedents' estates, probate courts could experience an indeterminate reduction in administration fees. Under the Act, two-fifths of this fee revenue is directed to the county general fund, and three-fifths to the State General Fund.

Date Completed: 3-16-11

Fiscal Analyst: Matthew Grabowski