



Senate Fiscal Agency
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Senate Bill 192 (as introduced 2-22-11)
Sponsor: Senator Bruce Caswell
Committee: Judiciary

Date Completed: 3-7-11

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. At the low end, in an estate worth less than \$1,000, the fee is \$5 plus 1% of the amount over \$500. At the high end, in an estate worth \$100,000 to \$500,000, the fee is \$362.50 plus one-eighth of 1% of the amount over \$100,000. For each additional \$100,000 value over \$500,000, the Act requires a fee of \$62.50. For each additional \$100,000 value over \$1.0 million, the Act requires a fee of \$31.25.

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, the State could experience an indeterminate reduction in probate court fees.

Fiscal Analyst: Matthew Grabowski

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