



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4410 (Substitute H-1 as reported without amendment)
Sponsor: Representative Peter J. Lucido
House Committee: Judiciary
Senate Committee: Judiciary

CONTENT

The bill would amend the Estates and Protected Individuals Code to allow a decedent, in his or her will, to exclude one or more of his or her children from receiving exempt property (property in the estate that is protected from creditors of the decedent, up to a set value) or assets to make up a deficiency of exempt property.

Under Section 2404, a decedent's surviving spouse is entitled to household furniture, automobiles, furnishings, appliances, and personal effects from the estate up to a value that does not exceed \$10,000 more than the amount of any security interests to which the property is subject. If there is not a surviving spouse, the decedent's children are entitled jointly to the same value.

If the spouse or children select encumbered assets and the value in excess of security interests, plus that of other exempt property, is less than \$10,000, or if there is not \$10,000 worth of exempt property in the estate, the spouse or children are entitled to other estate assets, if any, to the extent necessary to make up the \$10,000 value.

Under the bill, each of these provisions would apply to children who were not excluded as described below.

The bill would allow a decedent to exclude one or more of his or her children from receiving exempt property, or assets to make up a deficiency of exempt property, by either of the following means:

- The decedent expressly stated in his or her will that the child would take nothing, or would take an amount of \$10 or less from the estate.
- The decedent expressly stated in his or her will that the child was not to receive exempt property under Section 2404.

(Please note: The \$10,000 figure in Section 2404 applies to individuals who died before January 1, 2001. The Code requires the amount to be adjusted annually by a cost-of-living factor determined by the Department of Treasury. For the past several years, the adjusted amount has been \$15,000.)

MCL 700.2404

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 4-18-18

Fiscal Analyst: Michael Siracuse

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Bill Analysis @ www.senate.michigan.gov/sfa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.