



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4752 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Representative Klint Kesto

House Committee: Judiciary

Senate Committee: Judiciary

CONTENT

The bill would amend the Revised Judicature Act to do the following:

- Eliminate a December 31, 2017, sunset on a provision that requires the amount of indebtedness on real estate in a probate estate to be deducted from the value of property when the administration fee is calculated, if the property is encumbered or used as security for an indebtedness.
- Eliminate a requirement for a probate court, until March 31, 2018, to calculate the value of estates, amounts of indebtedness, and fees collected, and submit the results to the State Court Administrative Office.
- Eliminate a December 31, 2017, sunset on a provision that increased the portion of probate court fee revenue allocated to the county, rather than the State.

MCL 600.871 & 600.877

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have a negative fiscal impact on the State and a positive fiscal impact on counties. Removal of the sunset on the inventory fee calculation would reinstate what was current practice until December 31, 2017. Making this inventory fee calculation method permanent would reduce the total revenue that otherwise would be collected, since liens against the real property could continue to be deducted before the calculation. Since counties would continue to receive 47.5% of the fee instead of 40%, however, their total fee revenue would not decrease, while the total revenue going to the State would not increase.

Comparing the two fee calculation methods for calendar year 2015 (the most recent year of complete data) shows that the current method (the method that was in place until December 31, 2017) raised \$322,203 less than would have been raised under the previous method (under which the amount of indebtedness on real property was not deducted), but counties received \$234,558 more while the State revenue was \$556,761 less.

Date Completed: 1-29-18

Fiscal Analyst: Ryan Bergan