



ANALYSIS

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House Bill 4821 (Substitute S-1 as reported) House Bill 4822 (Substitute S-1 as reported)

Sponsor: Representative Jim Runestad (H.B. 4821)

Representative Jim Ellison (H.B. 4822)

House Committee: Judiciary Senate Committee: Judiciary

CONTENT

House Bill 4821 (S-1) would amend the Estates and Protected Individuals Code to do the following:

- -- Extend the time an interested party has to petition for appointment as personal representative of a decedent's estate, before a State or county public administrator may be appointed as personal representative.
- -- Specify that a State or county public administrator could be appointed only in a formal proceeding.
- -- Require a State or county public administrator who was seeking appointment as personal representative and knew that the decedent's real property had delinquent property taxes or was subject to a mortgage foreclosure, to provide notice of hearing to the decedent's heirs, and require the notice to include certain information.
- -- Specify that a State or county public administrator who knowingly failed to provide a required notice would be guilty of a misdemeanor, and prescribe penalties for a violation.

House Bill 4822 (S-1) would amend the Estates and Protected Individual Code to:

- -- Require a State or county public administrator appointed as personal representative to submit a notice (similar to that required to inform a decedent's heirs of an appointment) to the treasurer of the county in which real property subject to tax foreclosure was located.
- -- Prohibit the sale of a decedent's real property without the approval of the court if the personal representative were the State or county public administrator.
- -- Provide that the court could approve the sale of the decedent's real property only if, after a hearing, the court considered evidence of the value of the property and information submitted by the county treasurer, and otherwise determined that the sale was in the estate's best interest.
- -- Require the court to review the propriety of the employment of a person hired by a personal representative who was the State or county public administrator, if the decedent's estate included real property.
- -- Prohibit a personal representative from paying real estate fees or other fees related to identifying real property subject to foreclosure in excess of 10% of the net proceeds payable to the estate to a person employed by the personal representative, if he or she were the State or county public administrator.
- -- Specify that if the decedent's estate included real property subject to tax or mortgage foreclosure, certain fees in excess of 10% of the net proceeds payable to the estate would be considered excessive compensation.

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MCL 700.3203 et al. (H.B. 4821) 700.3705 et al. (H.B. 4822)

FISCAL IMPACT

<u>House Bill 4821 (S-1)</u> would have no fiscal impact on the State and could have a small negative fiscal impact on local government. Any increase in misdemeanor arrests and convictions could increase resource demands on law enforcement, court systems, and community supervision. Any associated increase in fine revenue would increase funding to public libraries.

House Bill 4822 (S-1) would have no fiscal impact on the State or local government.

Date Completed: 12-1-17 Fiscal Analyst: Ryan Bergan

Legislative Analyst: Jeff Mann

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.

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