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House Bill 5484 (Substitute H-1 as reported without amendment)  
Sponsor: Representative Andrew Richner  
House Committee: Family and Civil Law  
Senate Committee: Families, Mental Health and Human Services

## **CONTENT**

The bill would amend the Estates and Protected Individuals Code (EPIC) to revise the order of priority for certain claims against an individual's estate or against a trust. The bill also would revise the rules regarding the opening of a safe deposit box of a decedent.

Currently, EPIC gives priority to the homestead allowance (\$15,000 to the surviving spouse or children), the family allowance (reasonable maintenance payments for the surviving spouse and minor children), and the spouse's or children's right to exempt personal property from the estate (up to \$10,000) over funeral and burial expenses, and costs and expenses of administration. The bill would require that payments from an estate be made in the following order: costs and expenses of administration; funeral and burial expenses; homestead allowance; family allowance; and exempt property. The listing of claims and allowances against an estate would be rearranged to reflect that order in various sections of the Code.

Currently, if estate property is insufficient to pay claims against the estate, payment must be made in the following order: costs and expenses of administration; reasonable funeral and burial expenses; debts and taxes with priority under Federal law; reasonable and necessary medical expenses; debts and taxes with priority under State law; then all other claims. The bill would insert homestead allowance, family allowance, and exempt property (in that order) after reasonable funeral and burial expenses. The bill also would provide the same order of priority for trust property, after the payment of the costs and expenses of trust administration, if the trust were insufficient to pay all of the charges for which it was liable.

Under EPIC, in the estate of a person who dies after September 30, 1993, whenever it appears to the court by petition of an interested person that a safe deposit box may contain a will or a deed to a burial plot, the court may order the institution that leased the box to permit a named person to examine the box in the presence of an officer or authorized employee of the institution, and if a will or a deed to a burial plot is found in the box, to deliver the will or deed to the probate register. The probate register or his or her deputy must furnish a receipt to the institution. Under the bill, if a will or burial plot deed were found in a safe deposit box, the person named in the court order would be required to deliver it to the probate register, and the register would have to furnish a receipt to that person (rather than to the institution).

MCL 700.1103 et al.

Legislative Analyst: P. Affholter

## **FISCAL IMPACT**

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

Date Completed: 5-19-00

Fiscal Analyst: B. Bowerman