

# HOUSE BILL No. 5829

March 7, 2006, Introduced by Rep. Kolb and referred to the Committee on Senior Health, Security, and Retirement.

A bill to amend 1998 PA 386, entitled "Estates and protected individuals code," by amending section 3805 (MCL 700.3805), as amended by 2000 PA 177.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3805. (1) If the applicable estate property is  
2 insufficient to pay all claims and allowances in full, the personal  
3 representative shall make payment in the following order of  
4 priority:

- 5           (a) Costs and expenses of administration.
- 6           (b) Reasonable funeral and burial expenses.
- 7           (c) Homestead allowance.
- 8           (d) Family allowance.
- 9           (e) Exempt property.

1 (f) Debts and taxes with priority under federal law,  
2 **INCLUDING, BUT NOT LIMITED TO, MEDICAL ASSISTANCE PAYMENTS THAT ARE**  
3 **SUBJECT TO ADJUSTMENT OR RECOVERY FROM AN ESTATE UNDER SECTION 1917**  
4 **OF THE SOCIAL SECURITY ACT, 42 USC 1396P.**

5 (g) Reasonable and necessary medical and hospital expenses of  
6 the decedent's last illness, including a compensation of persons  
7 attending the decedent.

8 (h) Debts and taxes with priority under other laws of this  
9 state.

10 (i) All other claims.

11 (2) A preference shall not be given in the payment of a claim  
12 over another claim of the same class, and a claim due and payable  
13 is not entitled to a preference over a claim not due.

14 (3) If there are insufficient assets to pay all claims in full  
15 or to satisfy homestead allowance, family allowance, and exempt  
16 property, the personal representative shall certify the amount and  
17 nature of the deficiency to the trustee of a trust described in  
18 section 7501(1) for payment by the trustee in accordance with  
19 section 7502. If the personal representative is aware of other  
20 nonprobate transfers that may be liable for claims and allowances,  
21 then, unless the will provides otherwise, the personal  
22 representative shall proceed to collect the deficiency in a manner  
23 reasonable under the circumstances so that each nonprobate  
24 transfer, including those made under a trust described in section  
25 7501(1), bears a proportionate share or equitable share of the  
26 total burden.

27 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 93rd Legislature are  
2 enacted into law:

3 (a) Senate Bill No.\_\_\_\_ or House Bill No. 5827(request no.  
4 02539'05).

5 (b) Senate Bill No.\_\_\_\_ or House Bill No. 5828(request no.  
6 02540'05).