

SENATE BILL No. 822

October 19, 2005, Introduced by Senator SWITALSKI and referred to the Committee on Appropriations.

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. 820.

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5 (b) Senate Bill No. 821.

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