



Michigan Supreme Court

State Court Administrative Office

Trial Court Services Division

Michigan Hall of Justice

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Jennifer Warner
Director

MEMORANDUM

DATE: January 17, 2013

TO: Probate Court Chief Judges
Probate Court Administrators
Probate Registers

FROM: Amy Garoushi

RE: 2012 PA 596; Change in Calculating Inventory Fee; New Reporting Requirements

Effective March 28, 2013, in calculating an inventory fee under MCL 600.871(1), probate courts must deduct any encumbrance from the value of any real property that has been included in a decedent's estate. The statutory amendment sunsets on December 31, 2017.

In addition, the distribution formula has changed for all fees collected. See MCL 600.877, which says "all fees received by the probate court during each month under sections 871 to 874 shall be paid on or before the tenth day of the succeeding month as follows: (a) until December 31, 2017, 47.5% of each fee shall be paid to the county treasurer and credited to the county general fund. Beginning January 1, 2018, 40% of each fee shall be paid to the county treasurer and credited to the county general fund. (b) until December 31, 2017, 52.5% of each fee shall be paid to the state treasurer and credited to the state general fund. Beginning January 1, 2018, 60% of each fee shall be paid to the state treasurer and credited to the state general fund.

The State Court Administrative Office is tasked with collecting data from the probate courts pursuant to MCL 600.871(4). Although SCAO-approved form PC 577, Inventory, was revised in 2012 to include a column for lien amounts and will aid courts in calculating the inventory fee in some estates, this form will not be used as a collection instrument because not all personal representatives are required to file this form with the court. Instead, the State Court Administrative Office is considering a revision to the Letters of Authority as a mechanism for notifying personal representatives of the statutory provision so that any information submitted to the court for computing the inventory fee pursuant to MCR 5.307(A) includes the amount of any encumbrances on real property.

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Details about any forms revisions, these new reporting requirements, and the necessary programming specifications for your case management systems will be provided to you before March 28.

If you have any questions about calculating the inventory fee or the new reporting requirements, contact Ashley Coneff at 517-373-2451 or Amy Garoushi at 517-373-4864.