

# HOUSE BILL NO. 5814

June 12, 2024, Introduced by Reps. Steele, Schuette, Tisdell, Kuhn, Schmaltz, Roth, Bierlein, Neyer, Kunse, St. Germaine, Rigas, Johnsen, Cavitt, Aragona, DeBoyer, Meerman, Martin, Thompson, DeBoer, Wozniak and Jaime Greene and referred to the Committee on Tax Policy.

A bill to amend 1998 PA 386, entitled  
"Estates and protected individuals code,"  
by amending section 3912 (MCL 700.3912).

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

1           Sec. 3912. (1) If property distributed in kind or a security  
2 interest in that property is acquired for value by a purchaser from  
3 or lender to a distributee who has received an instrument or deed  
4 of distribution from the personal representative, or is so acquired  
5 by a purchaser from or lender to a transferee from such a

1 distributee, the purchaser or lender takes title free of rights of  
2 an interested person in the estate and incurs no personal liability  
3 to the estate, or to an interested person, whether or not the  
4 distribution was proper or supported by court order or the personal  
5 representative's authority was terminated before execution of the  
6 instrument or deed.

7 (2) This section protects a purchaser from or lender to a  
8 distributee who, as personal representative, has executed a deed of  
9 distribution to ~~himself or herself,~~ **the personal representative's**  
10 **own self**, as well as a purchaser from or lender to another  
11 distributee or ~~his or her~~ **that person's** transferee. To be protected  
12 under this section, a purchaser or lender does not need to inquire  
13 whether a personal representative acted properly making the  
14 distribution in kind, even if the personal representative and the  
15 distributee are the same person, or whether the authority of the  
16 personal representative had terminated before the distribution.

17 (3) A recorded instrument described in this section on which  
18 an exemption listed in section 5 of 1966 PA ~~135,~~ **134**, MCL 207.505,  
19 or section 6 of ~~the state real estate transfer tax act,~~ **former** 1993  
20 PA 330 **if the instrument was recorded when former 1993 PA 330**  
21 **applied**, ~~MCL 207.526,~~ is not noted is prima facie evidence that the  
22 transfer is made for value. Notwithstanding this section, a  
23 purchaser or lender takes title free of the lien for Michigan  
24 estate tax only to the extent provided by section 43 of the  
25 Michigan estate tax act, 1899 PA 188, MCL 205.243.

26 Enacting section 1. This amendatory act does not take effect  
27 unless Senate Bill No. \_\_\_\_ or House Bill No. 5811 (request no.  
28 03473'23) of the 102nd Legislature is enacted into law.