

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4441 (Substitute H-3 as passed by the House)
Sponsor: Representative Beverly Hammerstrom
House Committee: Local Government
Senate Committee: Local, Urban and State Affairs

Date Completed: 11-18-98

CONTENT

The bill would amend the Revised Judicature Act to:

- Increase fees for recording deeds, mortgages, and other specified documents, and for searching records and files in a register of deeds office.
- Require a county to establish a register of deeds automation fund, which would have to be used for upgrading technology in the register's office.
- Require, until December 31, 2008, that \$5 of a total fee be deposited in the automation fund; and prohibit money in the fund from lapsing into a county's general fund until December 31, 2011.
- Require, by January 1, 2003, that items recorded and maintained by a register be made available by automated procedures and technology.
- Require a register to process, maintain, and provide access to recorded items by using automated procedures and advanced technology, beginning January 1, 2009.

Fees

The fee for entering and recording a deed, mortgage, certified copy of an attachment, notice of pendency of a suit, or other instrument would be \$10, instead of the current \$5, for the first page and \$3, instead of the current \$2, for each additional and succeeding page. For any document that assigned or discharged more than one instrument, \$3 (instead of the current \$1) would have to be added to the recording fee for each additional instrument assigned or discharged. Until December 31, 2008, the register of deeds would have to deposit \$5 of the total fee collected for each recording into the register of deeds automation fund established under the bill.

For searching the records and files in the office of the register of deeds, the fee would be 50 cents, with a minimum fee of \$5, instead of the current 10 cents, with a minimum fee of \$1, for each year for which grantor/grantee searches were made. A county register of deeds also would have to charge a fee for tract index searches. The fee would have to be based on the cost of establishing and maintaining a tract index. For searching for every other paper, on request, the fee would be \$1, instead of 10 cents, for each paper examined.

The bill would delete current provisions that require a register of deeds to collect an additional \$2 fee for recording a deed, mortgage, certified copy of an attachment, notice of the pendency of a suit, or other instrument.

Currently, a charter county may impose a fee schedule by ordinance with different amounts than those prescribed in the Act. The bill would extend this provision to a county organized under Public Act 139 of 1973, which provides for an optional unified form of county government. Under the bill,

a fee schedule could be imposed either by resolution or by ordinance.

The bill also would redefine "page" as a single white sheet of paper that was the size and weight specified in the bill.

Automation Fund

Each county would have to establish a register of deeds automation fund, which would receive money deposited by the register of deeds in accordance with the bill. The county treasurer would be required to direct investment of the fund and credit to it interest and earnings from fund investments. The register of deeds would have to spend the fees credited to the fund subject to an appropriation under the Uniform Budgeting and Accounting Act for upgrading technology in the register's office. Upgrading would include the design and purchase of equipment and supplies, and implementation of systems and procedures that allowed the register to receive, enter, record, certify, index, store, retrieve, copy, and otherwise process by automated procedures and advanced technology documents, instruments, abstracts, maps, plats, and other items recorded and maintained by the register. Money not spent by the fund at the close of each fiscal year would have to remain in the fund and could not lapse to the county's general fund until December 31, 2011.

Beginning January 1, 2009, and to the maximum extent feasible, a register of deeds would have to process, maintain, and provide access to items received by the register for recording by using the automated procedures and advanced technology described above. Not later than January 1, 2003, each register would have to implement procedures to process and make available all items recorded, compiled, or maintained by that register after January 1, 2003, using the automated procedures and technology.

MCL 600.2567 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

This bill would increase fees for the recording of and searching for specified documents. For each recording through the end of 2008, \$5 would be deposited into the register of deeds automation fund. This fund would be used to upgrade technology in the register's office. Since the volume of recording documents varies by county, some counties would be able to implement technology upgrades sooner than other counties. This bill would have no State fiscal impact.

Fiscal Analyst: R. Ross

S9798\S4441SA

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.