



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 236 (as reported without amendment)
Sponsor: Senator Tonya Schuitmaker
Committee: Judiciary

Date Completed: 8-22-13

RATIONALE

The Revised Judicature Act (RJA) specifies the rates that newspapers may charge for publishing legal notices, such as mortgage foreclosures and probate notices, or orders, citations, summonses, advertisements, and other matters arising out of court proceedings that are required by law to be published. The statutory rates are based on a cost per "folio" (or approximately 100 words) and were last amended by Public Act 506 of 2006. Under that Act, each year for five years beginning March 1, 2008, the rates were required to be adjusted by the increase in the U.S. consumer price index for the preceding year, and rounded to the nearest multiple of five cents. The last adjustment under that provision was made in March 2012. Some suggest that since there continue to be increases in the

consumer price index adjusted rate, as well as newsprint and ink costs, the allowable statutory rates also should continue to be recalculated annually.

CONTENT

The bill would amend the Revised Judicature Act (RJA) to require an annual adjustment of fees for publishing a legal notice or an order, citation, summons, advertisement, or other matter arising out of judicial proceedings required by law to be published in a newspaper.

The fees established in the RJA and the current fees as adjusted are shown in [Table 1](#).

Table 1

Notice	Statutory Fee	Current Adjusted Fee
Max. cost per folio for first insertion	\$20.50	\$21.75
Max. cost per folio for each subsequent insertion	\$8.45	\$8.95
Min. allowable cost for a notice that must appear at least twice	\$59.00	\$92.10
Min. allowable cost for a notice that must appear only once	\$44.00	\$65.25

The bill would require the fees to be adjusted annually by the percentage increase in the U.S. consumer price index for the preceding year, and rounded to the nearest multiple of five cents.

The bill also would refer to the maximum and minimum costs per folio for the first and

each subsequent "publication", rather than "insertion".

MCL 600.2534

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate)

Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The fees that newspapers may charge for publishing legal notices that are required by law to be published are set in statute. The RJA provided for an adjustment of these fees for the last five years, but this provision expired in 2012. It is likely that costs associated with publishing a newspaper will continue to increase, but publishers will not be able to raise their rates for running the legal notices. Providing for the rates to be adjusted annually would allow newspapers to cover their cost of publishing these mandated notices and make it unnecessary to amend the fee provision in the future.

Opposing Argument

When the publication rates were raised in 2006, it was suggested that the increase could make this service less available to people of limited financial means, since the parties to litigation pay the fees. The legal system is already difficult for many people to enter and navigate, and continuing to provide for rate adjustments could pose another burden.

Response: Even with an annual adjustment, the publishing fees represent a relatively small cost compared with other expenses associated with the legal system. In the event of indigency, the court can bear the cost of publication.

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

By continuing to require adjustments in the rate parameters by the annual change in the consumer price index, the bill could marginally increase costs to local units that are required by law to publish in local newspapers legal notices or other documents related to legal proceedings.

Fiscal Analyst: Dan O'Connor

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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.