

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

(517) 373-5383

APR 28 1988

Mich. State Law Libra

House Bill 4002 (Substitute H-1)

Sponsor: Representative John Bennett

House Committee: Corporations and Finance

Senate Committee: Commerce and Technology

Date Completed: 4-12-88

SUMMARY OF HOUSE BILL 4002 (Substitute H-1) as passed by the House:

The bill would amend Article 9 of the Uniform Commercial Code, which governs secured transactions and specifies the information that must be given to file a security interest or obtain lien information on a debtor, to provide for the inclusion of the debtor's Social Security number or Federal tax identification number when a security interest is filed with the Secretary of State or a lien search is requested. The Code currently imposes a \$3 fee for filings and requests that are in the standard statutory form; for nonstandard filings and requests, the fee is \$6. Under the bill, for statements filed after July 1, 1987, the statement or request would have to include the debtor's Social Security number or Federal employer tax identification number, to qualify for the lower fee. The bill also provides for the inclusion of these numbers in the standard form and in amendments to a financing statement.

In addition, the bill would revise the fee structure for timber, mineral, or fixture filings made with registers of deeds. These filings now cost \$6 if the standard form is used; if not, the fee is \$6 plus \$2 per page over page 2. Under the bill, the fee for all such filings would be \$5 for the first page and \$2 for each additional page.

MCL 440.9402

Legislative Analyst: S. Margules

FISCAL IMPACT

According to the Department of State, the bill would have minimal fiscal impact. The change in filing fees is estimated to have minimal revenue implications. The identification requirements are designed to facilitate computerization, which could reduce some costs. (A potential fiscal impact of the computerization is that revenue from "expedited service" fees could decrease due to faster response time for regular services.)

Fiscal Analyst: G. Cutler

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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.