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REDUCE MINERAL RIGHTS TITLE PERIOD

House Bill 4273

Sponsor: Rep. Paul Tesanovich

Committee: Forestry and Mineral Rights

Complete to 4-18-97

A SUMMARY OF HOUSE BILL 4273 AS INTRODUCED 2-11-97

Public Act 200 of 1945, which regulates marketable record titles, specifies that a person holds a marketable record title to an interest in land, subject only to certain claims and interests, if he or she has an unbroken chain of title of record of any interest in the land for 40 years. House Bill 4273 would amend the act to permit a 20-year holding period for mineral interests other than oil and gas; to require that mineral interests be recorded; and to specify that the provisions of the act do not apply to oil and gas interests in real property, which are regulated under Public Act 42 of 1963.

Marketable Record Title. The bill would specify that a person with an unbroken chain of title of record to any interest in land of 20 years for mineral interests, and 40 years for other interests, would, at the end of the applicable period, be considered as having a marketable record title to that interest, subject only to claims to that interest and defects of title that were not extinguished or barred by application of the act. As under current law, a marketable record title would also be subject to any inherent interests and defects of title that were contained in the documentary evidence forming the record title that had been recorded during the 20-year or 40-year period, and also as under current law a person would not be considered as having a marketable record title if another person held the land in hostile possession.

Under the bill, a person would be considered as having an unbroken chain of title to an interest in land when official public records revealed that a past conveyance or other title transaction of at least 20 years for mineral interests and 40 years for other interests supported the person's claim to the interest, and nothing appeared in the record to deny the person's interest, or, if the record supported another person's claim, it also indicated that the interest had become vested in the first person.

Recording of Interests. Under the bill, and notwithstanding any other provision of the act, each person with a mineral interest in real property would have to record it with the register of deeds within two years after the bill's effective date in the manner specified under the act. Any mineral interest that wasn't recorded within the specified time period would be void and would revert to the surface owner of the property.

MCL 565.101 et al.

Analyst: R. Young

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.