

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 4273 (Substitute S-1 as reported)  
Sponsor: Representative Paul Tesanovich  
House Committee: Forestry and Mineral Rights  
Senate Committee: Agriculture and Forestry

Date Completed: 11-14-97

### RATIONALE

Under current law, to possess a marketable record title to an interest in land, a person has to have held an unbroken chain of title of record to the interest for 40 years. A claim to certain interests in land must have been recorded within the 40-year period for the interest to be preserved. Apparently, in the Upper Peninsula, many hard mining mineral companies shut down 20 or 30 years ago, and people who might want to purchase the remaining mineral interests evidently have been unsuccessful in their attempts to find all the record title owners. To simplify the process of purchasing property with mineral interests, it has been suggested the 40-year period for filing a notice of an interest in land be reduced for mineral interests.

### CONTENT

**The bill would amend Public Act 200 of 1945, which defines marketable record title, to specify a 20-year holding period for a marketable record title to an interest in land. The bill also would allow a three-year window for the recording of interests, defects, charges, or claims for mineral interests.**

“Mineral interest” would mean an interest in minerals in any land if the interest were owned by someone other than the owner of the surface of the land. It would not include an interest in oil, gas, sand, gravel, limestone, clay, or marl (loam).

Under the Act, a person with an unbroken chain of title of record to any interest in land for 40 years is considered at the end of the period to have a marketable record title to that interest, subject only to claims to that interest and defects of title that are not extinguished or barred by application of the Act and subject to any inherent interests and defects of the title that are contained in the muniments

forming the record title that have been recorded during the 40-year period. The bill would require a 20-year unbroken chain of title for mineral interests, and would retain the 40-year period for other interests. For mineral interests, inherent interests or defects would have to be recorded within the 20-year period or within three years after the bill's effective date.

Under the bill, a person would be considered to have an unbroken chain of title to an interest in land when official public records revealed either that a past conveyance or other title transaction of at least 20 years for mineral interests and 40 years for other interests (as currently required) supported the person's claim to the interest, and nothing had 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. An interest, claim, or charge could be preserved by the recording of a notice of the claim within three years after the bill's effective date or during the 20-year period for mineral interests, or within 40 years for other interests.

MCL 565.101 et al.

### 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 bill would make it easier to purchase property involving mineral interests and determine current marketable record title holders. While shortening the holding period to 20 years, the bill also would create a three-year window for recording claims,

which would protect those who have not yet recorded their mineral interests.

Legislative Analyst: N. Nagata

**FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: R. Ross

H9798\S4273A

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.