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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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

### **CONTENT**

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

MCL 565.101 et al.

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

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

Date Completed: 11-10-97

Fiscal Analyst: R. Ross