
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 H-3 as passed by the House)

Sponsor: Representative Paul Tesanovich

House Committee: Forestry and Mineral Rights

Senate Committee: Agriculture and Forestry

Date Completed: 11-4-97

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 require that mineral interests be recorded.

“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).

The following is a brief description of the bill.

Marketable Record Title

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 a marketable record title 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.

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.

Record

Notwithstanding any other provision of the Act, within three years after the bill’s effective date, each person with a mineral interest in real property would have to record with the register of deeds notice of his or her mineral interest as specified under the Act. Any mineral interests that were not recorded within the specified time period would be void and would revert to the surface owner of the property.

MCL 565.101 et al.

Legislative Analyst: N. Nagata

FISCAL IMPACT

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

Fiscal Analyst: R. Ross

S9798\S4273SA

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.