

Act No. 249
Public Acts of 1998
Approved by the Governor
July 10, 1998
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July 10, 1998
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STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Reps. Wallace, Ciaramitaro, Owen, Freeman, Olshove, Dobronski, LaForge and Emerson

ENROLLED HOUSE BILL No. 5604

AN ACT to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with, or contravening any of the provisions of this act," (MCL 600.101 to 600.9948) by adding sections 1490, 1491, 1492, 1493, and 1494.

The People of the State of Michigan enact:

Sec. 1490. (1) As used in this section and sections 1491, 1492, and 1493:

(a) "Blanket contract" means a contract under which a court reporter, court recorder, stenomask reporter, or court reporting firm agrees to perform all court reporting or court recording services for a client for 2 or more cases at a rate of compensation fixed in the contract.

(b) "Court reporting firm" means a business entity that provides the services of court reporters, court recorders, or stenomask reporters.

(c) "Owner" means a person who has any ownership interest in a court reporting firm.

(2) A court reporter, court recorder, stenomask reporter, or owner of a court reporting firm shall not provide or arrange to provide court reporting or recording services if he or she is a relative, employee, attorney, or counsel of any of the parties, or is a relative or employee of an attorney or counsel of any of the parties, without disclosing that familial relationship.

(3) A court reporter, court recorder, stenomask reporter, or owner of a court reporting firm shall not provide or arrange to provide court reporting or recording services if he or she is financially interested in the action.

Sec. 1491. (1) A court reporter, court recorder, stenomask reporter, or owner of a court reporting firm shall not do either of the following:

(a) Enter into or arrange for any financial relationship that compromises the impartiality of court reporters, court recorders, or stenomask reporters or that may result in the appearance that the impartiality of a court reporter, court recorder, or stenomask reporter has been compromised.

(b) Enter into a blanket contract with parties, litigants, attorneys, or their representatives unless all parties to the action are informed on the record in every deposition of the fees to be charged to all parties for original transcripts, copies of transcripts, and any other court reporting services to be provided. This subdivision does not apply to contracts for court reporting or recording services for the courts, agencies, or instrumentalities of local units of government, this state, or the United States.

(2) A court reporter, court recorder, stenomask reporter, or owner of a court reporting firm shall not do any of the following:

(a) Give, directly or indirectly, any incentive, reward, or anything else of value to attorneys, clients, or their representatives or agents, except for nominal items that do not exceed \$25.00 per transaction or \$100.00 in the aggregate per recipient each year.

(b) Charge more than 2/3 of the price of an original transcript for a copy of that transcript.

Sec. 1492. (1) A court reporter, court recorder, or stenomask reporter shall do all of the following in the performance of his or her duties:

(a) Deliver a transcript or statement of facts to a client or court in a timely manner as determined by law, by court order, or by agreement of the parties.

(b) Produce an accurate transcript or statement of facts.

(c) Produce complete transcripts or statements of facts, unless an excerpt of a transcript is authorized by court order, agreement of the parties, or request of a party.

(d) Before accepting an assignment as an independent contractor or employee to provide court reporting or recording services, request information from the person, employer, or entity engaging his or her services as to the existence and nature of the contract between the person, employer, or entity and the client to confirm that the contract is not a blanket contract in violation of section 1491(1)(b). A person, employer, or entity who is party to a blanket contract and who knowingly provides false information in reply to an inquiry required under this subdivision shall be considered to have committed an act that is grounds for discipline or censure under section 1493. This subdivision does not apply to contracts for court reporting or recording services for the courts, agencies, or instrumentalities of local units of government, this state, or the United States.

(e) Advertise or represent truthfully that he or she is a certified court reporter, court recorder, or stenomask reporter and that only a certified individual will be making the record.

(f) Charge all parties or their attorneys to an action the same price for an original transcript or statement of facts and charge all parties or their attorneys the same price for a copy of a transcript or statement of facts or for like services performed in an action.

(g) Stay "on the record" during a deposition unless agreed to by all parties or their attorneys or unless otherwise ordered by the court.

(2) All court reporting firms and court reporters, recorders, and stenomask reporters, including out-of-state court reporting firms and court reporters, recorders, and stenomask reporters, shall register with the state court administrative office by completing an application in a form adopted by the state court administrative office. Rules applicable to court reporters and court recorders are also applicable to court reporting firms. If a court reporting firm or a court reporter, recorder, or stenomask reporter fails to comply with this subsection, the state court administrative office may assess a reasonable administrative fine that is prescribed by rule of the supreme court, that does not exceed \$500.00, and that is payable to the state general fund.

Sec. 1493. (1) The state court administrative office is responsible for enforcing sections 1490, 1491, and 1492 through the court recording and reporting board of review or by other administrative means.

(2) Any violation of section 1490, 1491, or 1492 shall be cause for refusal of the state court administrative office's board of review to issue renewal certificates to certified court reporters, court recorders, or stenomask reporters. Any willful violation of section 1490, 1491, or 1492 shall be grounds for discipline or censure, or suspension or revocation of certification as a Michigan certified court reporter, court recorder, stenomask reporter, or court reporting firm.

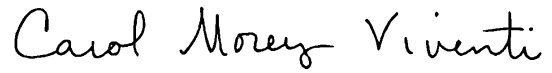
Sec. 1494. Sections 1490 to 1493 do not apply to official court stenographers, recorders, reporters, or stenomask reporters appointed under chapter 8, 11, or 86 while in the performance of their official duties or to a court stenographer, recorder, or reporter appointed to serve in a municipal court while in the performance of his or her official duties.

Enacting section 1. By enacting this legislation, the legislature does not intend to unduly interfere with fair competition between and among certified court reporters, court recorders, stenomask recorders, or court reporting firms, where that competition does not involve financial arrangements that tend to, or appear to, compromise that impartiality. This amendatory act is to be construed and applied in a manner consistent with this purpose.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.