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SFA**BILL ANALYSIS**

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Senate Bill 116 (Substitute S-2 as reported)
Sponsor: Senator Bev Hammerstrom
Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Revised Judicature Act to increase the recording and searching fees for documents received by a register of deeds; require each county to establish a "Register of Deeds Automation Fund"; require a register of deeds to deposit \$5 of each recording fee into the Fund until December 31, 2010; and require each register of deeds to begin processing documents with automated technology by 2005.

The bill would increase the fee for entering and recording a document from \$5 to \$10 for the first page, and from \$2 to \$3 for each additional page. The bill would delete a requirement that a register of deeds also collect a \$2 fee for recording a deed, mortgage, certified copy of an attachment, notice of the pendency of a suit, or other instrument. The bill would increase the fee for searching the records and files in the office of the register of deeds from 10 cents per year, with a minimum fee of \$1, to 50 cents for each year for which grantor/grantee searches were made, with a minimum fee of \$5, although the fee for tract index searches would have to be based on the cost of establishing and maintaining a tract index. The bill also would increase the fee for searching every other paper, on request, from 10 cents to \$1.

MCL 600.2567

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have no fiscal impact on the State. The bill would increase revenues received by a register of deeds for the recording of documents. Depending on the length of the document recorded, the revenue per document would increase by 43% to 50%. Revenues for searching records also would increase between 500% and 1,000%, absent an offsetting action from a county board of commissioners.

Data are not currently available on total revenues received by registers of deeds in Michigan for providing these services, so the dollar effect of the bill's changes currently is unknown. The effect would vary by county due to differences in socioeconomic characteristics, and in some counties with small populations the effect of the bill could be minimal. For example, the Michigan Association of Realtors reports 1,826 home sales in the Upper Peninsula in 1999, compared with 10,222 in Grand Rapids and 16,165 in Macomb County. If each of these home sales required a two-page document to be recorded with the county register of deeds, the fee proposed increases would have increased revenues among all 15 counties by \$7,304 (or less than \$500 per county), compared with an increase of \$40,888 in Grand Rapids and \$64,660 in Macomb County.

Through 2010, the bill's increased fees from the recording of documents would be deposited in a special automation fund, which could be used only to upgrade technology in the register of deeds office. Consequently, the bill would increase restricted revenues for registers of deeds by an unknown amount. Unrestricted revenues also would increase by an unknown amount, due to the other proposed fee increases and, after 2010, the elimination of the requirement that the bill's increased fees be deposited in the automation fund.

Date Completed: 10-11-00
floor/sb116 (S-2)

Fiscal Analyst: D. Zin

Analysis available @ <http://www.michiganlegislature.org>

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.