

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

Senate Bill 116 (as introduced 1-27-99)  
Sponsor: Senator Bev Hammerstrom  
Committee: Local, Urban and State Affairs

Date Completed: 9-27-00

## CONTENT

**The bill would amend the Revised Judicature Act to increase the recording and searching fees for documents received by a register of deeds; establish a fee for tract index searches; 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, 2008; and require each register of deeds to begin processing documents with automated technology by 2003.**

### Fees

Under the Act, a register of deeds is entitled to charge a number of fees for recording, copying, sealing, searching, and filing 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 entering and recording a document from \$5 to \$10 for the first page, and from \$2 to \$3 for each additional and succeeding page. In addition, the bill would increase the fee for searching the records and files in the office of the register of deeds from 10 cents to 50 cents for each year for which grantor/grantee searches were made, with a minimum fee of \$5, rather than \$1 as currently provided. The bill also would increase the fee for searching every other paper, on request, from 10 cents to \$1.

The bill would require a county register of deeds to charge a fee for tract index searches. The fee would have to be based upon the cost of establishing and maintaining a tract index.

Under the bill, a register of deeds would have to deposit \$5 of the total fee collected for each recording into the proposed Register of Deeds Automation Fund until December 31, 2008.

For any document that assigned or discharged more than one instrument, a \$3 charge, rather than the current \$1 charge, would have to be added to the recording fee for each additional instrument assigned or discharged.

Currently, in addition to any other fees prescribed in these provisions, a register of deeds must collect a fee of \$2 for entering and recording a deed, mortgage, certified copy of an attachment, notice of the pendency of a suit, or other instrument. The fee must be paid when the document is left for record. The bill would delete these requirements.

### Fund

Each county of the State would have to establish a Register of Deeds Automation Fund, which would have to receive money deposited by the register of deeds of the county. The county treasurer would have to direct investment of the Fund, and credit to it all interest and earnings from investments.

A county register of deeds could spend fees credited to the Fund subject to an appropriation, for upgrading

technology in the register of deeds office. Upgrading would include the design and purchase of equipment and supplies, and implementation of systems and procedures that would allow the register of deeds to receive, enter, record, certify, index, store, search, retrieve, copy, and otherwise process by automated procedures and advanced technology, documents, instruments, abstracts, maps, plats, and other items recorded and maintained by the register of deeds.

By January 1, 2003, each register of deeds would have to begin to implement procedures to process and make available all items recorded, compiled, or maintained by that register of deeds after January 1, 2003, using the automated procedures and advanced technology as described above.

Beginning January 1, 2009, and to the maximum extent feasible, a register of deeds would have to process, maintain, and provide access to items received by the register of deeds for recording by using the automated procedures and advanced technology as described above.

Money not spent in the Fund at the close of each fiscal year would remain in the Fund and not lapse to the county's general fund until December 31, 2011.

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 50% to 100%. Revenues for searching records also would increase between 500% and 1,000% under the bill, 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.

Through 2008, the bill's increased fees from the recording of documents would be deposited in a special automation fund. Money in the automation fund could be used only to upgrade technology in the register of deeds office, and could not lapse into a county's general fund until December 31, 2011.

Consequently, the bill would increase both restricted and unrestricted revenues for registers of deeds by an unknown amount. However, most of the bill's increase in unrestricted revenue would not occur until after 2008.

Fiscal Analyst: D. Zin

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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.