

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 63 (Substitute S-1 as reported)
Sponsor: Senator Bev Hammerstrom
Committee: Finance

CONTENT

The bill would amend the Revised Judicature Act to do the following:

- Raise the fees a county register of deeds may charge for entering or recording a deed, mortgage, or other instrument, from \$5 to \$8 for the first page, and from \$2 to \$3 for each additional page; and require a register to add \$3 to the recording fee for any document that assigned or discharged more than one instrument.
- Increase the fee for searching records and files from 10 cents to 50 cents for each year grantor/grantee searches are made; and increase the minimum search fee from \$1 to \$5, except that the fee for tract index searches would have to be based on the cost of establishing and maintaining a tract index.
- Increase the fee for searching for every other paper, upon request, from 10 cents to \$1 for each paper examined.
- Require each county to establish an automation fund; and require each register, until December 31, 2006, to deposit \$5 of the total fee collected for each recording into the fund.
- Require each register of deeds to spend the money credited to the fund for upgrading technology in the register's office, with priority given to upgrading search capabilities.
- Require each register of deeds, within 90 days of the bill's effective date, to begin implementing procedures to process and make available all items recorded, compiled, or maintained by the register of deeds using automated procedures and advanced technology.

MCL 600.2567 et al.

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have no fiscal impact on the State. The bill would increase revenues received by a register of deeds for recording documents between 50% and 70%, depending on a document's length. Revenues for searching records also would increase 500% to 1,000%.

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; in some counties with small populations, the bill's impact could be minimal. For example, the Michigan Association of Realtors reports 1,595 home sales in the Upper Peninsula in 2001, compared with 11,033 in the Grand Rapids area and 16,317 in Macomb County. If each of these home sales required a two-page document to be recorded with the county register of deeds, the proposed fee increases would have increased revenues among all 15 counties in the Upper Peninsula by \$14,355 (or less than \$1,000 per county), compared with an increase of \$99,297 in Grand Rapids and \$146,853 in Macomb County.

A portion of the increased fees for recording 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 also would increase restricted revenues for registers of deeds by an unknown amount.

Date Completed: 12-2-02

Fiscal Analyst: David Zin