

Legislative Analysis



LEGAL NOTICE FEE INCREASE

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Senate Bill 1104 (Substitute H-1)

Sponsor: Sen. Alan L. Cropsey

House Committee: Judiciary

Senate Committee: Judiciary

Complete to 12-6-06

A SUMMARY OF SENATE BILL 1104 AS REPORTED FROM COMMITTEE 12-6-06

The bill would amend the Revised Judicature Act to increase the fees for publishing a legal notice or an order, citation, summons, advertisement, or other matter arising out of judicial proceedings required by law to be published in a newspaper, and authorize the rates to be increased annually by the rate of inflation, as follows:

- Not more than \$20.50 (increased from \$15) per folio for the first insertion.
- Not more than \$8.50 (increased from \$5.85) for each subsequent insertion.
- A minimum allowable cost of \$59 (increased from \$42.50) for a notice that must appear at least twice.
- A minimum allowable cost of \$44 (increased from \$31.60) for a notice that must appear only once.

The bill would require, beginning on June 1, 2007, the rates described above to be adjusted by the percentage increase in the United States Consumer Price Index (CPI) for the immediately preceding calendar year and the result rounded to the nearest multiple of five cents; the same adjustment would have to be made every fifth year after the 2007 on June 1.

The bill would take effect March 1, 2007.

MCL 600.2534

FISCAL IMPACT:

The cost to the state and local units of government will increase by a minimal amount.

In most instances, the parties involved in the judicial proceeding are responsible for the costs of publishing legal notices. In cases in which the state or local government is a party, that entity may experience an increase in these costs. In addition, if one of the parties is an indigent individual, there may be an increase in court costs as well. The cost increase for state and local governments is indeterminate as it is difficult to determine the number of cases that would be affected and what local publishing rates would apply.

BACKGROUND INFORMATION:

Apparently, there has been no increase since 1999 in the rates allowed by the Revised Judicature Act for newspapers to charge for publishing legal notices, such as mortgage foreclosures and probate notices, or orders, citations, summonses, advertisements, and other matters arising out of court proceedings that are required by law to be published. Meanwhile, the consumer price index adjusted rate has increased 18 percent since then; the cost of newsprint and paper has also increased. The bill would raise the allowable publishing fees and would require automatic rate adjustments every five years.

POSITIONS:

The Royal Oak Daily Tribune indicated support for the bill. (12-6-06)

The Michigan Press Association indicated support for the bill. (12-6-06)

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