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BILL ANALYSIS

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House Bill 5966 (as reported without amendment)  
Sponsor: Representative Walker  
House Committee: Appropriations  
Senate Committee: Appropriations

### **CONTENT**

The bill would amend the Revised Judicature Act to extend by 10 years the \$4 fee for recording an instrument with the county register of deeds. Under current law, the \$4 fee will be levied until January 1, 2013, and be reduced on that date to \$2 per instrument recorded. The bill would continue the \$4 fee until January 1, 2023, when the fee would decline to \$2.

MCL 600.2567a

### **FISCAL IMPACT**

The bill would increase future revenue to the State Survey and Remonumentation Fund by extending for 10 years the period during which the \$4 fee may be collected, increasing the availability of funds that may be granted to counties for their remonumentation projects.

Public Acts 345 and 346 of 1990 created the remonumentation program to locate, inspect, and replace property markers or monuments. The program is funded by a fee charged to people recording instruments with the county register of deeds. The fee revenue is deposited in the State Survey and Remonumentation Fund. The revenue pays for the State and county administrative costs of the program and is granted to counties for their remonumentation projects based on a formula that returns at least 40% of the revenue to the county in which it was collected.

The original fee was \$2 per instrumented recorded. Public Act 700 of 2002 increased the fee to \$4 effective March 31, 2003, in order to provide additional funds to accelerate the remonumentation process. The \$4 fee was established as a temporary fee that would decline to \$2 on January 1, 2013, when the remonumentation project was projected to be completed. It was expected that, beginning in 2013, the program would switch from remonumentation to maintenance of the replaced monuments, which would be less expensive.

The fee increase and the recording activity due to mortgage refinancing increased the balance in the Remonumentation Fund. In FY 2005-06, as a budget balancing measure, there was a one-time transfer of \$15.0 million from the Remonumentation Fund to the General Fund pursuant to Public Act 76 of 2006.

Staff from the Department of Labor and Economic Growth (DLEG) indicate that in FY 2005-06, \$10,168,000 was collected for the State Survey and Remonumentation Fund and grants

of \$10,134,000 were made to counties. The FY 2005-06 year-end balance in the Remonumentation Fund is estimated at \$1,848,600. The DLEG budget for FY 2006-07 includes a line item for Remonumentation Grants of \$14.0 million, an amount that based on current estimates is greater than the revenue that will be available. Department staff project revenue of approximately \$10.0 million in FY 2006-07.

The bill would double the revenue collections for the State Survey and Remonumentation Fund in the years from 2013 through 2022, increasing the funds available for remonumentation grants to counties and for State and county administrative expenses related to the remonumentation program. Assuming annual recording activity at the same level as in FY 2005-06, the increase would provide an estimated additional \$5.0 million annually to the Fund.

Date Completed: 12-15-06

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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.