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BILL ANALYSIS



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Senate Bills 1218 and 1219 (as introduced 3-10-10)
Sponsor: Senator Gilda Z. Jacobs (S.B. 1218)
Senator Wayne Kuipers (S.B. 1219)
Committee: Local, Urban and State Affairs

Date Completed: 9-14-10

CONTENT

Senate Bill 1218 would amend the Revised Judicature Act to eliminate a provision allowing a county to apply half of the annual grant revenue it receives from the State Survey and Remonumentation Fund to reimburse itself for expenditures made to expedite its monumentation and remonumentation plan.

Senate Bill 1219 would amend the State Survey and Remonumentation Act to do the following:

- Allow a county to request an extension of up to 20 years to implement its monumentation and remonumentation plan.**
- Give the Director of the Department of Energy, Labor, and Economic Growth (DELEG) a maximum, rather than a minimum, of 10 years to reimburse counties for money spent or borrowed to expedite their plans.**
- Revise provisions for reimbursing counties that spend or borrow money to expedite their plans, and require annual installments of \$250,000.**

The bills are tie-barred to each other. They are described below in further detail.

Senate Bill 1219

The State Survey and Remonumentation Act required each county to establish a county monumentation and remonumentation plan and submit it to the Director of the Department of Consumer and Industry Services (now DELEG) by January 1, 1994. If a county failed to establish and submit a plan by the deadline, the Director had to initiate and contract for the implementation of a plan in that county. A county plan must provide for the monumentation or remonumentation of the entire county within 20 years.

Under the bill, a county that submitted a plan could request the DELEG Director to approve a modification that extended that time period by up to an additional 20 years. The Director would have to grant the request unless he or she found that the county had not made a good faith effort to carry out its plan as originally submitted.

Under the Act, when a county plan has been established and approved by the Director, the county may spend or borrow funds to expedite the plan's completion. Under these circumstances, the Director must enter into a contract to provide that the costs to expedite the plan are reimbursed or paid from the State Survey and Remonumentation Fund as

provided in the Act. The Director is required to pay those costs to the county over a period of not less than 10 years. Under the bill, the Director would have to pay those costs to the county over a period of not more than 10 years.

Under the Act, the Fund may be used for grants to counties to implement their monumentation and remonumentation plans, the implementation of county plans initiated and contracted for by the Director, grants to counties for perpetual monument maintenance plans, and the payment of contracts entered into by the Director. The Fund also may be used to pay the costs of expediting a plan or to reimburse counties for expediting their plans.

At least 40% of the money collected under Section 2567a of the RJA in a county for deposit in the Fund must be spent on a grant or remonumentation contract in that county. (Under Section 2567a of the RJA, in addition to established recording fees, a county register of deeds must collect a fee of \$4 per recorded instrument for deposit into the Fund. A county may retain up to 1.5% to cover administration costs.)

If the Director contracts with a county that elects to spend or borrow funds to expedite its plan, the Director annually must pay to that county in lieu of any grant or payments from the Fund an amount that is at least 40% of the amount of money collected in that county under Section 2567a of the RJA during the calendar year, in annual installments until the contract is paid in full. Under the bill, instead, the Director annually would have to pay to the county installments of \$250,000 until the contract was paid in full. The annual installments would have to be paid from the Fund each year before annual grants or payments were made.

Senate Bill 1218

Currently, if a county has spent funds to expedite the completion of its county plan pursuant to a contract with the DELEG Director, the county may apply up to 50% of its annual grant revenue from the Survey and Remonumentation Fund to reimburse itself for those expenditures until they are fully reimbursed. The bill would delete this provision.

MCL 600.2567a (S.B. 1218)
54.268 & 25.272 (S.B. 1219)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bills would change the reimbursement formula for the costs of the remonumentation program to set the reimbursement payments available to counties that expedited their county remonumentation programs at \$250,000 per year. Ottawa and Oakland Counties conducted expedited remonumentation programs. Ottawa County would receive faster reimbursement under the bills than under current law. Depending on the amount of earmarked recording fee revenue by county and total fee revenue, other counties could see a temporary reduction in formula distributions, until the counties with loans for expedited programs were fully repaid.

Fiscal Analyst: Elizabeth Pratt

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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.