

SFA

BILL ANALYSIS

Senate Fiscal Agency

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Senate Bills 246 through 250 (as reported without amendment)**Sponsors:** Senator Rudy J. Nichols (Senate Bills 246 and 247)

Senator John J. H. Schwarz, M.D. (Senate Bill 248)

Senator Mitch Irwin (Senate Bill 249)

Senator Jerome T. Hart (Senate Bill 250)

Committee: Commerce and Technology**Date Completed:** 5-14-87***RATIONALE***

Notarization of a document sometimes is required to verify that a person signing the document is in fact the person whose signature appears on the document. Some people contend that the practice of notarization is not needed in all cases in which it currently is required. They argue that some specific notarization requirements needlessly add to paperwork and bureaucratic "red tape", and that, due to modern identification capabilities, the practice no longer is necessary.

CONTENT

Senate Bills 246 through 250 would amend various Acts to eliminate notary public requirements on certain forms.

Senate Bill 246

Senate Bill 246 would amend the Nonprofit Health Care Corporation Reform Act to delete a notarization requirement for the articles of incorporation of a nonprofit health care corporation.

MCL 550.1202

Senate Bill 247

Senate Bill 247 would amend Public Act 125 of 1963 to eliminate a notarization requirement for the articles of incorporation of a nonprofit dental care corporation.

MCL 550.355

Senate Bill 248

Senate Bill 248 would amend the Public Health Code to eliminate a notarization requirement for a disclosure statement included in an application for a license to operate a health maintenance organization (HMO). The statement must disclose the nature and extent of any contracts or arrangements between the individuals responsible for the conduct of the HMO's affairs (including their immediate families or any legal entity in which they have more than a 5% financial interest) and the HMO or a provider or other person concerning any financial relationship with the HMO.

MCL 333.21031

Senate Bill 249

Senate Bill 249 would amend the Banking Code to eliminate three notarization requirements.

The first amendment pertains to a notice that the whole amount of an increase in a bank's capital is paid in. The

bill would require that the notice be "signed" by the bank's president, vice-president, cashier, or assistant cashier rather than "duly acknowledged before a notary public" by one of those officials. The second amendment would delete a notary public requirement for a certificate of declaration of a stock dividend on a bank's increased capital stock. The third amendment would eliminate a notarization requirement for amendments to a bank's articles of incorporation.

MCL 487.379, 487.385, and 487.405

Senate Bill 250

Senate Bill 250 would amend Public Act 83 of 1887 to delete a notary public requirement for the articles of association of the grand lodge and subordinate lodges of the Ancient Order of United Workmen.

MCL 457.503 and 457.507

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

ARGUMENTS***Supporting Argument***

The bills would help to reduce paperwork and "red tape". The elimination of these notarization requirements have been recommended by the Task Force on Reduction of Paperwork and Red Tape and would pose no danger to the public.

Supporting Argument

The bills would eliminate future delays similar to those that have been experienced by people who inadvertently have failed to have documents notarized.

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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.

S.B. 246-250 (5-14-87)

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