



BILL ANALYSIS

Senate Fiscal Agency

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House Bill 4342 (Substitute H-3 as reported with amendment)

Sponsor: Representative Gary L. Randall

House Committee: State Affairs

Senate Committee: State Affairs, Tourism, and Transportation

Date Completed: 2-25-88

RATIONALE

Current statute allows a city to terminate owners' rights in burial plots if owners don't maintain the plots for seven years, but requires that a resolution notifying the owner of an abandoned plot be sent by registered mail, at a cost of \$4.52 each to the city. When there is no response from the owner within 30 days, a petition must be sent by registered mail (another \$4.52) to start termination procedures. This can be costly to a city, such as Alma, that has a substantial number of abandoned burial plots. If notices were sent by certified mail, instead, costs to the city would be a minimum of 97 cents (75 cents certified fee plus postage of 22 cents) per resolution, or \$1.94 total, which would be a savings of \$7.10 per plot. Legislation has been proposed to allow local units to serve notice on negligent owners by certified mail instead of registered mail.

CONTENT

The bill would amend current law to provide that resolutions and petitions served on negligent owners of public burial spaces would have to be sent by certified mail instead of registered mail.

MCL 128.12

SENATE COMMITTEE ACTION

The Senate Committee adopted an amendment to require cities to serve notice by certified mail rather than first class mail, as the House-passed version would have required.

FISCAL IMPACT

The bill would have no fiscal impact on State, but could result in indeterminate cost savings to local units of government, depending on how many resolutions and petitions the local units of government have to send.

ARGUMENTS

Supporting Argument

The City of Alma has 396 abandoned burial plots. The bill would save the city about \$2,800 in postage costs by allowing the city to send notices by certified instead of registered mail. Although \$2,800 may not seem like a lot of money, that amount could be a considerable portion of a small town's budget and would be better spent on other pressing problems. The bill would help not only Alma, but also other small towns in similar positions.

Opposing Argument

The bill as reported by the House would have allowed local units of government to send notices by first class mail--a procedure that would enable the local units to save the greatest amount in postage costs. The city of Alma, for example, would be able to save over \$3,400 in postage costs if it were allowed to use first class mail. Further, there is no cause to be concerned that first class mail is more likely than registered or certified mail to be misplaced or ignored, and that, therefore, plot owners would be more likely to lose their ownership rights through failure to respond to the notices. The Act contains several safeguards to ensure that negligent owners are treated fairly. For example, burial plots cannot be declared abandoned unless a period of seven years passes without activity on the plot. Further, negligent owners get a month to respond to resolutions sent by managers, and notices of hearings are published in newspapers for at least three weeks. Thus, owners are given several instances to respond and their rights are adequately protected by the law. The bill should be amended to allow local units of government to send the notices by first class mail.

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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.

H.B. 4342 (2-25-88)