



**House
Legislative
Analysis
Section**

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ELIMINATE NOTARIZATION REQUIREMENT

House Bills 4516-4518 as introduced
House Bill 4519 with committee amendments
House Bills 4520-4521 as introduced
First Analysis (4-24-89)

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Sponsor: Rep. Debbie Stabenow
Committee: Economic Development & Energy

THE APPARENT PROBLEM:

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 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.

THE CONTENT OF THE BILL:

The bills would amend various acts to delete the requirement that certain reports to regulating agencies be notarized.

House Bill 4516 would amend Public Act 308 of 1929 (MCL 317.4 and 317.5), which requires persons involved in the buying and selling of furs, hides, and pelts to report to the Department of Natural Resources (DNR) the number and kinds of fur-bearing animals taken annually.

House Bill 4517 would amend Public Act 138 of 1941 (MCL 450.471), which requires a nonprofit cemetery association to send an annual report to the Department of Treasury that indicates the association has continued its charter existence and shows the names of its current directors or trustees.

House Bill 4518 would amend Public Act 125 of 1963 (MCL 550.355), which requires a nonprofit dental care corporation to send to the insurance commissioner for approval its articles (or amendments to its articles) of incorporation.

House Bill 4519 would amend a portion of the Occupational Code (MCL 339.214 et al.) which requires a foreign person applying for licensure or registration in one of various occupations in the state to send a notarized affidavit to the Department of Licensing and Regulation stating the level of education or experience attained by the person in the particular field while in another country. The bill would take effect September 1, 1989.

House Bill 4520 would amend a portion of the Banking Code (MCL 487.379 et al.) requiring the directors of a bank, after a majority vote by its major shareholders to increase the amount of its capital stock, to deposit the whole amount of the increase into the bank and to notify the banking commissioner of the bank's new capital level. The act requires this notification, as well as the bank's articles (and amendments to its articles) of incorporation, to be notarized and mailed to the commissioner.

House Bill 4521 would amend a portion of the Public Health Code (MCL 333.21031) which requires a health maintenance organization (HMO) to submit to the Department of Licensing and Regulation a list of the names,

addresses, and official positions of individuals responsible for the HMO's affairs, and a disclosure statement indicating the nature and extent of any contracts or arrangements made between these officials or their immediate families (which own more than 5 percent of the assets or stock of the organization) and the HMO.

FISCAL IMPLICATIONS:

Fiscal information is not available.

ARGUMENTS:

For:

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

POSITIONS:

A representative of the Department of Licensing and Regulation testified before the Economic Development and Energy in support of the bills. (4-19-89)

The Small Business Association of Michigan supports the bills. (4-4-89)

H.B. 4516 et al (4-24-89)