



**Senate Fiscal Agency**  
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**BILL ANALYSIS**

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Senate Bill 833 (as reported by the Committee of the Whole)  
Sponsor: Senator Michael J. Bouchard  
Committee: Financial Services

Date Completed: 2-15-96

**RATIONALE**

At least since 1973, title insurers reportedly have been offering, free of charge, a property title information report on property whose titles they insure, when that property is offered for sale. These reports may disclose such things as the existence of outstanding tax liens and locations of easements. Recently, the legitimacy of this practice apparently has been questioned by the Insurance Commissioner, who has cited concerns that disclosing the information without compensation in the absence of specific statutory authority to do so may constitute an improper inducement for a real estate purchaser to do business with that particular title insurer. Some people believe that title insurers should be given the authority to continue the practice of providing a property title information report in connection with the marketing of real estate, without charging for that service.

**CONTENT**

The bill would amend the Insurance Code to specify that a title agency or insurer could provide a "property title information report" without receipt of payment or consideration of any kind. "Property title information report" would mean information regarding matters of public record affecting legal title to real property that was provided, upon request and on a form other than a commitment of title insurance, to a real property owner, a person with a contractual interest in the real property, or to a person licensed under Article 25 of the Occupational Code (which deals with real estate brokers and salespersons), in connection with the marketing of real estate.

MCL 500.7301 et al.

**ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

**Supporting Argument**

The bill simply would allow title insurers to continue to engage in the practice of providing free information relating to the sale of property whose title they insure. The information revealed in property title information reports is not confidential and does not compromise the interest of any party to a real estate deal. The reports merely provide convenient access to public information.

Legislative Analyst: P. Affholter

**FISCAL IMPACT**

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

Fiscal Analyst: M. Barsch

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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.