



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5858 (Substitute S-1 as reported)
 Sponsor: Representative Beverly Hammerstrom
 House Committee: Local Government
 Senate Committee: Local, Urban and State Affairs

Date Completed: 11-20-96

RATIONALE

Public Act 103 of 1937 prescribes conditions for the execution of instruments to be recorded at county register of deeds offices across the State. The Act prohibits the recording of any instrument that conveys, assigns, or disposes of a title to real estate unless the document complies with requirements specified in the Act, such as the legibility of the information appearing on the document. Because of new record-keeping technologies, such as scanners and optical disk imaging, many of the current document filing requirements reportedly are no longer applicable. Representatives of county registers of deeds believe that requirements for submitting documents to the county should be updated to accommodate new computer-based technologies.

CONTENT

The bill would amend Public Act 103 of 1937 to establish requirements for documents or instruments being filed after the bill's effective date with a county register of deeds. The bill would take effect April 1, 1997.

A register of deeds could not record an instrument executed after April 1, 1997, if it purported to evidence more than one recordable event. If an instrument were executed after April 1, 1997, each sheet of the instrument would have to comply with the following requirements:

- Have a margin of unprinted space that was at least two-and-one-half inches at the top of the first page and at least one-half inch on all remaining sides of each page.
- Display on the first line of print on the first page of the instrument a single statement identifying the recordable event that the instrument evidenced.

- Be electronically, mechanically, or hand printed in 10-point type or the equivalent of 10-point type.
- Be legibly printed in black ink on white paper that was at least 20-pound weight.
- Be at least eight-and-one-half inches wide and 11 inches long or not more than eight-and-one-half inches wide and 14 inches long.
- Contain no attachment that was less than eight-and-one-half inches wide and 11 inches long or more than eight-and-one-half inches wide and 14 inches long.

The bill's requirements, as well as current requirements, would not apply to instruments executed outside of the State or to the filing or recording of a plat or other instrument, the size of which was regulated by law.

MCL 565.201

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 would revise standards for filing documents with county registers of deeds across the State so that new computer-based technologies could be used for recording and making available land ownership records. For example, the bill would increase the required type size of the printed material, establish format requirements, and require that a statement appear on a document to aid in its identification. Other states, such as Arizona, California, New York, Texas, and Indiana, have established similar

recording requirements to improve the effectiveness and efficiency of document recording at county register of deeds offices. The bill would assist county registrars in recording these documents and preserving them for future use.

Legislative Analyst: L. Arasim

FISCAL IMPACT

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

Fiscal Analyst: R. Ross

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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.