



HOUSE BILL No. 5724

March 28, 1996, Introduced by Reps. Tesanovich, Bobier, Bodem, Schroer, Munsell, Bullard and Law and referred to the Committee on Local Government.

A bill to amend the title and sections 1, 2, 3, and 6 of Act No. 200 of the Public Acts of 1945, entitled

"An act to define a marketable record title to an interest in land; to require the filing of notices of claim of interest in such land in certain cases within a definite period of time and to require the recording thereof; to make invalid and of no force or effect all claims with respect to the land affected thereby where no such notices of claim of interest are filed within the required period; to provide for certain penalties for filing slanderous notices of claim of interest, and to provide certain exceptions to the applicability and operation thereof,"

being sections 565.101, 565.102, 565.103, and 565.106 of the Michigan Compiled Laws; and to add sections 2a and 2b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 2, 3, and 6 of Act
2 No. 200 of the Public Acts of 1945, being sections 565.101,
3 565.102, 565.103, and 565.106 of the Michigan Compiled Laws, are
4 amended and sections 2a and 2b are added to read as follows:

1

TITLE

2 An act to define a marketable record title to an interest in
 3 land OTHER THAN AN OIL OR GAS INTEREST; to require the filing of
 4 notices of claim of interest in such land in certain cases within
 5 a definite period of time and to require the recording thereof;
 6 to make invalid and of no force or effect all claims with respect
 7 to the land affected thereby where no such notices of claim of
 8 interest are filed within the required period; to provide for
 9 certain penalties for filing slanderous notices of claim of
 10 interest, and to provide certain exceptions to the applicability
 11 and operation thereof.

12 Sec. 1. Any person, having the legal capacity to own land
 13 in this state, who has an unbroken chain of title of record to
 14 any interest in land for ~~40~~ 20 years FOR MINERAL INTERESTS AND
 15 40 YEARS FOR OTHER INTERESTS, shall at the end of ~~such~~ THE
 16 APPLICABLE period be ~~deemed~~ CONSIDERED to have a marketable
 17 record title to ~~such~~ THAT interest, subject only to ~~such~~
 18 claims ~~thereto~~ TO THAT INTEREST and defects of title as are not
 19 extinguished or barred by application of ~~the provisions of suc-~~
 20 ~~ceeding sections of~~ this act and subject also to ~~such~~ ANY
 21 interests and defects as are inherent in the provisions and limi-
 22 tations contained in the muniments of which ~~such~~ THE chain of
 23 record title is formed and which have been recorded during ~~said~~
 24 ~~40~~ THE 20-year period ~~— Provided, however, That no one~~ FOR
 25 MINERAL INTERESTS AND THE 40-YEAR PERIOD FOR OTHER INTERESTS.
 26 HOWEVER, A PERSON shall NOT be ~~deemed~~ CONSIDERED to have ~~such~~
 27 a marketable record title by reason of ~~the terms of~~ this act,

1 if the land in which ~~such~~ THE interest exists is in the hostile
2 possession of another.

3 Sec. 2. ~~A~~ EXCEPT AS PROVIDED IN SECTION 2A, A person
4 ~~shall be deemed~~ IS CONSIDERED to have ~~the~~ AN unbroken chain
5 of title to an interest in land as ~~such terms are used in the~~
6 ~~preceding~~ PROVIDED IN section 1 when the official public records
7 disclose EITHER OF THE FOLLOWING:

8 (a) A conveyance or other title transaction not less than
9 ~~40~~ 20 years in the past FOR MINERAL INTERESTS AND 40 YEARS FOR
10 OTHER INTERESTS, which ~~said~~ conveyance or other title transac-
11 tion purports to create ~~such~~ THE interest in ~~such~~ THAT
12 person, with nothing appearing of record purporting to divest
13 ~~such~~ THAT person of ~~such~~ THE purported interest. ~~, or,~~

14 (b) A conveyance or other title transaction not less than
15 ~~40~~ 20 years in the past FOR MINERAL INTERESTS AND 40 YEARS FOR
16 OTHER INTERESTS, which ~~said~~ conveyance or other title transac-
17 tion purports to create ~~such~~ THE interest in some other person
18 and other conveyances or title transactions of record by which
19 ~~such~~ THE purported interest has become vested in the person
20 first referred to in this section, with nothing appearing of
21 record purporting to divest the person first referred to in this
22 section of ~~such~~ THE purported interest.

23 SEC. 2A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT,
24 WITHIN 2 YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION, EACH
25 PERSON WITH A MINERAL INTEREST IN REAL PROPERTY SHALL RECORD WITH
26 THE REGISTER OF DEEDS NOTICE OF HIS OR HER MINERAL INTEREST IN
27 THE MANNER PROVIDED IN SECTION 5. ANY MINERAL INTEREST THAT IS

1 NOT RECORDED WITHIN THE TIME PERIOD PROVIDED IN THIS SECTION IS
2 VOID AND THAT INTEREST REVERTS TO THE SURFACE OWNER OF THE
3 PROPERTY.

4 SEC. 2B. THIS ACT DOES NOT APPLY TO OIL AND GAS INTERESTS
5 IN REAL PROPERTY THAT ARE REGULATED UNDER ACT NO. 42 OF THE
6 PUBLIC ACTS OF 1963, BEING SECTIONS 554.291 TO 554.294 OF THE
7 MICHIGAN COMPILED LAWS.

8 Sec. 3. ~~Such marketable~~ MARKETABLE title shall be held by
9 ~~such~~ A person and shall be taken by his OR HER successors in
10 interest free and clear of any and all interests, claims, and
11 charges whatsoever the existence of which depends in whole or in
12 part upon any act, transaction, event, or omission that occurred
13 prior to ~~such 40~~ THE 20-year period FOR MINERAL INTERESTS, AND
14 THE 40-YEAR PERIOD FOR OTHER INTERESTS, and all ~~such interest~~
15 INTERESTS, claims, and charges are hereby declared to be null and
16 void and of no effect ~~whatever~~ at law or in equity. →

17 ~~Provided, however, That any such~~ HOWEVER, EXCEPT AS PROVIDED IN
18 SECTION 2A, AN interest, claim, or charge may be preserved and
19 kept effective by filing for record during ~~such 40~~ THE 20-year
20 period FOR MINERAL INTERESTS AND THE 40-YEAR PERIOD FOR OTHER
21 INTERESTS, a notice in writing, ~~duly~~ verified by oath, setting
22 forth the nature of the ~~claims~~ CLAIM. ~~No~~ A disability or
23 lack of knowledge of any kind on the part of anyone ~~shall~~ DOES
24 NOT suspend the running of ~~said 40~~ THE 20-year period FOR MIN-
25 ERAL INTERESTS OR THE 40-YEAR PERIOD FOR OTHER INTERESTS. For
26 the purpose of recording notices of claim for homestead interests
27 the date from which the ~~40~~ 20-year period FOR MINERAL INTERESTS

1 AND THE 40-YEAR PERIOD FOR OTHER INTERESTS shall run shall be the
 2 date of recording of the instrument, ~~non-joinder~~ NONJOINDER in
 3 which is the basis for ~~such~~ THE claim. ~~Such~~ A notice may be
 4 filed for record by the claimant or by any other person acting on
 5 behalf of any claimant ~~who is~~ IF 1 OR MORE OF THE FOLLOWING
 6 CONDITIONS EXIST:

7 (a) ~~Under~~ THE CLAIMANT IS UNDER a disability. ~~—~~

8 (b) ~~Unable~~ THE CLAIMANT IS UNABLE to assert a claim on his
 9 OR HER own behalf. ~~—~~

10 (c) ~~One~~ THE CLAIMANT IS 1 of a class but whose identity
 11 cannot be established or is uncertain at the time of filing
 12 ~~such~~ THE notice of claim for record.

13 Sec. 6. This act shall be construed to effect the legisla-
 14 tive purpose of simplifying and facilitating land title transac-
 15 tions by allowing persons dealing with the record title owner, as
 16 defined ~~herein~~ IN THIS ACT, to rely on the record title cover-
 17 ing a period of not more than ~~40~~ 20 years FOR MINERAL INTERESTS
 18 AND 40 YEARS FOR OTHER INTERESTS prior to the date of such deal-
 19 ing and to that end to extinguish all claims that affect or may
 20 affect the interest ~~thus~~ dealt with, the existence of which
 21 claims arises out of or depends upon any act, transaction, event,
 22 or omission antedating ~~such 40~~ THE 20-year period FOR MINERAL
 23 INTERESTS AND THE 40-YEAR PERIOD FOR OTHER INTERESTS, unless
 24 within ~~such 40~~ THE 20-year period FOR MINERAL INTERESTS OR THE
 25 40-YEAR PERIOD FOR OTHER INTERESTS a notice of claim as provided
 26 in section 3 ~~hereof shall have~~ HAS been ~~duly~~ filed for
 27 record. The claims ~~hereby~~ extinguished ~~shall mean~~ BY THIS

1 ACT ARE any and all interests of any nature whatever, however
2 denominated, and whether ~~such~~ THE claims are asserted by a
3 person sui juris or under disability, whether ~~such~~ THE person
4 is within or ~~without~~ OUTSIDE the state, and whether ~~such~~ THE
5 person is natural or corporate, or private or governmental.