

Senate Fiscal Agency
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SFA



BILL ANALYSIS

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Senate Bill 130 (Substitute S-2 as reported)
Sponsor: Senator Leon Stille
Committee: Local, Urban and State Affairs

Date Completed: 12-2-98

RATIONALE

Approximately 10 years ago, the Department of Commerce was experiencing a backlog of plats submitted for State review, and could not process them within the period of time required by law. In response, Public Act 59 of 1991 increased plat review fees to pay for the hiring of additional clerical help and contracting for surveyor assistance to expedite the completion of a State plat review. The 1991 Act, however, included an expiration date for the fee increases of two years after its effective date, or June 27, 1993. To allow the Department to continue processing plat reviews by the mandatory deadline, Public Act 67 of 1993 extended the sunset for the fee increases to October 1, 1998. As a result,, the fees sunsetted on that date. Some people feel that provisions concerning the filing and recording of these fees should be reinstated to allow the processing of plats to continue.

CONTENT

The bill would amend the Land Division Act to:

- **Delete the October 1, 1999, sunset date on requirements that a preliminary plat submitted to the Department of Environmental Quality (DEQ) be accompanied by a \$500 fee to cover the administrative cost of the DEQ's preliminary plat review; and that the DEQ assess an additional \$1,500 if engineering computations are necessary to establish the limits of the flood plain.**
- **Reinstate provisions of the Act requiring the payment of filing and recording fees as well as State plat review fees, which had sunsetted on October 1, 1998.**

Under the Act, upon approval of a plat by a majority of the county plat board, the clerk of the board must obtain a warrant from the county treasurer for one-half the filing and recording fee of \$20, as required in the Act, and forward it with all copies of the plat to the State administrator. The bill would

delete the reference to the clerk securing and forwarding a warrant for one-half the filing and recording fee.

Currently, when a final plat is submitted to the clerk of the governing body of a municipality, the proprietor must deposit with the plat a \$20 filing and recording fee that is in addition to any fee the municipality may charge under the Act. Under the bill, the proprietor also would have to deposit with the plat a State plat review fee of \$150, plus \$15 for each lot over four lots included in the plat. The State plat review fee would have to be paid by check or money order payable to the State. (These provisions would reenact expired requirements under MCL 560.241a.)

The Act provides that, upon approval of the plat by the governing body, a clerk must send the \$20 fee with the plat to the clerk of the county plat board. The plat board clerk then is required to deposit the fee in the county trust and agency fund for payment to the following: \$10 to the State upon the approval of the plat by the county plat board and \$10 to the county register of deeds upon proof to the county plat board clerk that the plat had been recorded in the county register of deeds office. The bill would delete reference to the \$10 payment to the State. Under the bill, the county plat board clerk would have to deposit the filing and recording fee in the county trust and agency fund for the payment of \$20 to the county register of deeds. The bill would delete the requirement that the State administrator pay the State's portion of the filing and recording fee to the State Treasurer, who must deposit it in the State General Fund.

Currently, the State administrator may charge an additional \$10 if he or she believes that the review time is extraordinary. The bill would delete that provision.

Under the bill, if a final plat were forwarded to the State administrator, the clerk of the county plat board would have to forward the State plat review

fee with the plat. A State plat review fee would have to be deposited in the State Treasury for use in administering the Act. A revolving fund would have to be created in the State Treasury for the deposit of the State plat review fees. Money remaining in the fund at the end of the fiscal year would have to be carried over to the next and succeeding fiscal years for the Act's administration. (These provisions would reenact expired requirements under MCL 560.241a.)

MCL 560.117 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 would reenact provisions on fees for filing and recording final plats, a State plat review fee, and the depositing of these fees, which sunsetted on October 1, 1998. In addition, the bill would delete an October 1, 1999, sunset date concerning the filing of a fee to cover the administrative cost of a preliminary plat review. By reenacting these provisions and deleting the future sunset date, the bill would protect a stable funding source that enables the State to provide plat reviews in compliance with the statutory deadline.

Legislative Analyst: L. Arasim

FISCAL IMPACT

This bill would continue local government filing and recording and State plat review fee levels that were in place prior to October 1, 1998. Additionally, the bill would remove the October 1, 1999, sunset date on the DEQ's preliminary plat review and \$500 administrative fee.

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.