

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5604**

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
(MCL 600.101 to 600.9948) by adding sections 1490, 1491, 1492,
1493, and 1494.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 1490. (1) AS USED IN THIS SECTION AND SECTIONS 1491,
2 1492, AND 1493:

3 (A) "BLANKET CONTRACT" MEANS A CONTRACT UNDER WHICH A COURT
4 REPORTER, COURT RECORDER, STENOMASK REPORTER, OR COURT REPORTING
5 FIRM AGREES TO PERFORM ALL COURT REPORTING OR COURT RECORDING
6 SERVICES FOR A CLIENT FOR 2 OR MORE CASES AT A RATE OF COMPENSA-
7 TION FIXED IN THE CONTRACT.

8 (B) "COURT REPORTING FIRM" MEANS A BUSINESS ENTITY THAT
9 PROVIDES THE SERVICES OF COURT REPORTERS, COURT RECORDERS, OR
10 STENOMASK REPORTERS.

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1 (C) "OWNER" MEANS A PERSON WHO HAS ANY OWNERSHIP INTEREST IN
2 A COURT REPORTING FIRM.

3 (2) A COURT REPORTER, COURT RECORDER, STENOMASK REPORTER, OR
4 OWNER OF A COURT REPORTING FIRM SHALL NOT PROVIDE OR ARRANGE TO
5 PROVIDE COURT REPORTING OR RECORDING SERVICES IF HE OR SHE IS A
6 RELATIVE, EMPLOYEE, ATTORNEY, OR COUNSEL OF ANY OF THE PARTIES,
7 OR IS A RELATIVE OR EMPLOYEE OF AN ATTORNEY OR COUNSEL OF ANY OF
8 THE PARTIES, WITHOUT DISCLOSING THAT FAMILIAL RELATIONSHIP.

9 (3) A COURT REPORTER, COURT RECORDER, STENOMASK REPORTER, OR
10 OWNER OF A COURT REPORTING FIRM SHALL NOT PROVIDE OR ARRANGE TO
11 PROVIDE COURT REPORTING OR RECORDING SERVICES IF HE OR SHE IS
12 FINANCIALLY INTERESTED IN THE ACTION.

13 SEC. 1491. (1) A COURT REPORTER, COURT RECORDER, STENOMASK
14 REPORTER, OR OWNER OF A COURT REPORTING FIRM SHALL NOT DO EITHER
15 OF THE FOLLOWING:

16 (A) ENTER INTO OR ARRANGE FOR ANY FINANCIAL RELATIONSHIP
17 THAT COMPROMISES THE IMPARTIALITY OF COURT REPORTERS, COURT
18 RECORDERS, OR STENOMASK REPORTERS OR THAT MAY RESULT IN THE
19 APPEARANCE THAT THE IMPARTIALITY OF A COURT REPORTER, COURT
20 RECORDER, OR STENOMASK REPORTER HAS BEEN COMPROMISED.

21 (B) ENTER INTO A BLANKET CONTRACT WITH PARTIES, LITIGANTS,
22 ATTORNEYS, OR THEIR REPRESENTATIVES UNLESS ALL PARTIES TO THE ACTION
23 ARE INFORMED ON THE RECORD IN EVERY DEPOSITION OF THE FEES TO BE
24 CHARGED TO ALL PARTIES FOR ORIGINAL TRANSCRIPTS, COPIES OF
25 TRANSCRIPTS, AND ANY
26 OTHER COURT REPORTING SERVICES TO BE PROVIDED. THIS SUBDIVISION
DOES NOT
APPLY TO CONTRACTS FOR COURT REPORTING OR RECORDING SERVICES FOR

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1 THE COURTS, AGENCIES, OR INSTRUMENTALITIES OF LOCAL UNITS OF
2 GOVERNMENT, THIS STATE, OR THE UNITED STATES.

3 (2) A COURT REPORTER, COURT RECORDER, STENOMASK REPORTER, OR
4 OWNER OF A COURT REPORTING FIRM SHALL NOT DO ANY OF THE
5 FOLLOWING:

6 (A) GIVE, DIRECTLY OR INDIRECTLY, ANY INCENTIVE, REWARD, OR
7 ANYTHING ELSE OF VALUE TO ATTORNEYS, CLIENTS, OR THEIR REPRESen-
8 TATIVES OR AGENTS, EXCEPT FOR NOMINAL ITEMS THAT DO NOT EXCEED
9 \$25.00 PER TRANSACTION OR \$100.00 IN THE AGGREGATE PER RECIPIENT
10 EACH YEAR.

11 (B) CHARGE MORE THAN 2/3 OF THE PRICE OF AN ORIGINAL TRAN-
12 SCRIPT FOR A COPY OF THAT TRANSCRIPT.

13 SEC. 1492. (1) A COURT REPORTER, COURT RECORDER, OR STENO-
14 MASK REPORTER SHALL DO ALL OF THE FOLLOWING IN THE PERFORMANCE OF
15 HIS OR HER DUTIES:

16 (A) DELIVER A TRANSCRIPT OR STATEMENT OF FACTS TO A CLIENT
17 OR COURT IN A TIMELY MANNER AS DETERMINED BY LAW, BY COURT ORDER,
18 OR BY AGREEMENT OF THE PARTIES.

19 (B) PRODUCE AN ACCURATE TRANSCRIPT OR STATEMENT OF FACTS.

20 (C) PRODUCE COMPLETE TRANSCRIPTS OR STATEMENTS OF FACTS,
21 UNLESS AN EXCERPT OF A TRANSCRIPT IS AUTHORIZED BY COURT ORDER,
22 AGREEMENT OF THE PARTIES, OR REQUEST OF A PARTY.

23 (D) BEFORE ACCEPTING AN ASSIGNMENT AS AN INDEPENDENT CON-
24 TRACTOR OR EMPLOYEE TO PROVIDE COURT REPORTING OR RECORDING SERV-
25 ICES, REQUEST INFORMATION FROM THE PERSON, EMPLOYER, OR ENTITY
26 ENGAGING HIS OR HER SERVICES AS TO THE EXISTENCE AND NATURE OF
27 THE CONTRACT BETWEEN THE PERSON, EMPLOYER, OR ENTITY AND THE

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1 CLIENT TO CONFIRM THAT THE CONTRACT IS NOT A BLANKET CONTRACT IN
2 VIOLATION OF SECTION 1491(1)(B). A PERSON, EMPLOYER, OR ENTITY
3 WHO IS PARTY TO A BLANKET CONTRACT AND WHO KNOWINGLY PROVIDES
4 FALSE INFORMATION IN REPLY TO AN INQUIRY REQUIRED UNDER THIS SUB-
5 DIVISION SHALL BE CONSIDERED TO HAVE COMMITTED AN ACT THAT IS
6 GROUNDS FOR DISCIPLINE OR CENSURE UNDER SECTION 1493. THIS SUB-
7 DIVISION DOES NOT APPLY TO CONTRACTS FOR COURT REPORTING OR
8 RECORDING SERVICES FOR THE COURTS, AGENCIES, OR INSTRUMENTALITIES
9 OF LOCAL UNITS OF GOVERNMENT, THIS STATE, OR THE UNITED STATES.

10 (E) ADVERTISE OR REPRESENT TRUTHFULLY THAT HE OR SHE IS A
11 CERTIFIED COURT REPORTER, COURT RECORDER, OR STENOMASK REPORTER
12 AND THAT ONLY A CERTIFIED INDIVIDUAL WILL BE MAKING THE RECORD.

13 (F) CHARGE ALL PARTIES OR THEIR ATTORNEYS TO AN ACTION THE
14 SAME PRICE FOR AN ORIGINAL TRANSCRIPT OR STATEMENT OF FACTS AND
15 CHARGE ALL PARTIES OR THEIR ATTORNEYS THE SAME PRICE FOR A COPY
16 OF A TRANSCRIPT OR STATEMENT OF FACTS OR FOR LIKE SERVICES PER-
17 FORMED IN AN ACTION.

18 (G) STAY "ON THE RECORD" DURING A DEPOSITION UNLESS AGREED
19 TO BY ALL PARTIES OR THEIR ATTORNEYS OR UNLESS OTHERWISE ORDERED
20 BY THE COURT.

21 (2) ALL COURT REPORTING FIRMS AND COURT REPORTERS, RECORD-
22 ERS, AND STENOMASK REPORTERS, INCLUDING OUT-OF-STATE COURT
23 REPORTING FIRMS AND COURT REPORTERS, RECORDERS, AND STENOMASK
24 REPORTERS, SHALL REGISTER WITH THE STATE COURT ADMINISTRATIVE
25 OFFICE BY COMPLETING AN APPLICATION IN A FORM ADOPTED BY THE
26 STATE COURT ADMINISTRATIVE OFFICE. RULES APPLICABLE TO COURT
27 REPORTERS AND COURT RECORDERS ARE ALSO APPLICABLE TO COURT

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1 REPORTING FIRMS. IF A COURT REPORTING FIRM OR A COURT REPORTER,
2 RECORDER, OR STENOMASK REPORTER FAILS TO COMPLY WITH THIS SUBSEC-
3 TION, THE STATE COURT ADMINISTRATIVE OFFICE MAY ASSESS A REASON-
4 ABLE ADMINISTRATIVE FINE THAT IS PRESCRIBED BY RULE OF THE
5 SUPREME COURT, THAT DOES NOT EXCEED \$500.00, AND THAT IS PAYABLE
6 TO THE STATE GENERAL FUND.

7 SEC. 1493. (1) THE STATE COURT ADMINISTRATIVE OFFICE IS
8 RESPONSIBLE FOR ENFORCING SECTIONS 1490, 1491, AND 1492 THROUGH
9 THE COURT RECORDING AND REPORTING BOARD OF REVIEW OR BY OTHER
10 ADMINISTRATIVE MEANS.

11 (2) ANY VIOLATION OF SECTION 1490, 1491, OR 1492 SHALL BE
12 CAUSE FOR REFUSAL OF THE STATE COURT ADMINISTRATIVE OFFICE'S
13 BOARD OF REVIEW TO ISSUE RENEWAL CERTIFICATES TO CERTIFIED COURT
14 REPORTERS, COURT RECORDERS, OR STENOMASK REPORTERS. ANY WILLFUL
15 VIOLATION OF SECTION 1490, 1491, OR 1492 SHALL BE GROUNDS FOR
16 DISCIPLINE OR CENSURE, OR SUSPENSION OR REVOCATION OF CERTIFICA-
17 TION AS A MICHIGAN CERTIFIED COURT REPORTER, COURT RECORDER,
18 STENOMASK REPORTER, OR COURT REPORTING FIRM.

19 SEC. 1494. SECTIONS 1490 TO 1493 DO NOT APPLY TO OFFICIAL
20 COURT STENOGRAPHERS, RECORDERS, REPORTERS, OR STENOMASK REPORTERS
21 APPOINTED UNDER CHAPTER 8, 11, OR 86 WHILE IN THE PERFORMANCE OF
22 THEIR OFFICIAL DUTIES OR TO A COURT STENOGRAPHER, RECORDER, OR
23 REPORTER APPOINTED TO SERVE IN A MUNICIPAL COURT WHILE IN THE
24 PERFORMANCE OF HIS OR HER OFFICIAL DUTIES.

25 Enacting section 1. By enacting this legislation, the leg-
26 islature does not intend to unduly interfere with fair
27 competition between and among certified court reporters, court

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1 recorders, stenomask recorders, or court reporting firms, where
2 that competition does not involve financial arrangements that
3 tend to, or appear to, compromise that impartiality. This amen-
4 datory act is to be construed and applied in a manner consistent
5 with this purpose.