

SENATE BILL No. 1511

November 29, 2006, Introduced by Senator BISHOP and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to allow for notices of settlements and to provide for their effect; and to provide for certain fees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. A party to a settlement, or the legal representative
2 of a party to a settlement, that will convey legal or equitable
3 title to real estate or any interest in real estate, or will
4 create any lien on real estate by way of a mortgage, may file
5 with the county recorder of deeds for the county in which the
6 real estate is situated an instrument to be designated a "notice
7 of settlement".

8 Sec. 2. A notice of settlement shall be signed by the party
9 to the settlement or the party's legal representative and shall
10 set forth the names of the parties to the settlement and a
11 description of the real estate. If the notice is executed by

1 anyone other than an attorney at law admitted to practice in this
 2 state, the execution shall be acknowledged or proved in the
 3 manner provided by law for the acknowledgement or proof of deeds.

4 Sec. 3. The form of the notice of settlement shall be as
 5 follows:

6 Name)
 7 Address)
 8 (Seller or Mortgagor)) NOTICE OF
 9 and) SETTLEMENT
 10 Name)
 11 Address)
 12 (Purchaser or Mortgagee))

13 NOTICE is hereby given of a (contract,
 14 agreement, or mortgage commitment) between the parties hereto.

15 THE lands to be affected are described as follows:

16 ALL that certain tract or parcel of land and premises
 17 situated in the of, (municipality) County of
 18 and State of Michigan, commonly known as
 19 (street address) and more particularly
 20 described as follows:

21 (legal description)

22

23 Name of party or legal representative.....

24 Address

25

26 (acknowledgment)

1 Sec. 4. A notice of settlement shall be filed by the county
2 recorder of deeds in a book to be kept for that purpose entitled
3 "notices of settlement" and shall immediately be indexed in an
4 index book entitled "index of notices of settlement". The index
5 of notices of settlement shall indicate the date of filing, the
6 place of record, and the names of the parties. The county
7 recorder of deeds may charge a fee for purposes of this section
8 in an amount not to exceed the fee charged for the filing and
9 recording of notices of federal tax liens.

10 Sec. 5. After the filing of a notice of settlement, any
11 person claiming title to, an interest in, or a lien upon the real
12 estate described in the notice through any party in the notice
13 shall be considered to have acquired that title, interest, or
14 lien with knowledge of the anticipated settlement and shall be
15 subject to the terms, conditions, and provisions of the deed or
16 mortgage between the parties filed within the period provided by
17 section 6.

18 Sec. 6. A notice of settlement is effective for 45 days
19 after the date of filing. Any lien filed during that 45-day
20 period shall attach to the premises described in the notice
21 immediately upon the expiration of the 45 days, if the premises
22 have not been conveyed and notwithstanding the filing of a
23 subsequent notice of settlement.