

ELECTRONIC RECORD FEES

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House Bill 4075 (Reported from committee without amendment)

Sponsor: Rep. Bruce R. Rendon

Committee: Local Government

Complete to 3-4-15

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY: The bill would cap the fee county treasurers could charge for an electronic copy of a record in a 'qualified data file' at 25 cents per parcel record, not to exceed \$1,500.

FISCAL IMPACT: House Bill 4075 would have an indeterminate fiscal impact on counties. Any fiscal impact would depend upon the manner in which the county changed its current fee schedule for copies, both paper and electronic, of records covered under the provision of the bill. For counties that charged an amount that exceeded \$1,500 for electronic record requests for records in a qualified data file maintained by the county treasurer there would be a loss of revenue due to the proposed cap of \$1,500.

THE APPARENT PROBLEM:

Under the General Property Tax Act a county treasurer must 'tax certify' all documents such as deeds and land contracts that convey property. A tax certificate confirms that all taxes on a property have been paid in full for the past five years. See **Background Information** below.

For example, the Washtenaw county treasurer describes the steps and requirements of the tax certification process as follows: (1) Each deed must have a parcel number that corresponds to the legal description contained in the deed. (2) The county treasurer's office then compares the deed's legal description with the legal description on file in the county equalization department's electronic records. (3) If a legal description on the deed does not match the county's legal description, the deed will not be certified without approval of the legal description by the equalization department or the local assessor. (4) After the parcel number and legal description are matched, the county treasurer's office can verify whether there are delinquent taxes owed.

In the case of Washtenaw county and many of Michigan's 83 counties, the legal descriptions of property are stored in an online database, and are available through a county's online property/parcel lookup service. See **Background Information**, below.

County treasurers charge a fee—capped in state statute—for their tax certification service. Recently realtors have reported that some counties' charge unreasonably high fees to issue tax certificates for property conveyances through electronic means. Consequently, legislation has been introduced to cap the maximum charge for an electronic copy of a record at 25 cents per parcel.

THE CONTENT OF THE BILL:

House Bill 4075 would amend Public Act 161 of 1895, a law that requires county treasurers to furnish transcripts and abstracts of records. The bill specifies that the maximum charge for an electronic copy of a record would be 25 cents per parcel record, not to exceed \$1,500 for each request, if the request was for an electronic copy of records in a "qualified data file" that was maintained by the county treasurer. (See the definition of "qualified data file," below.) Under the bill, a county treasurer's response to a request for an electronic copy would have to be transmitted electronically using a format that was documented by an open standards organization, and that had defined, delimited fields.

The bill also prohibits copies of records obtained in this manner from being resold for a commercial purpose.

Further, the law now specifies the fees a citizen pays when requesting copies of particular records that are on file at the office of the county treasurer. Currently, for statements concerning the payment of taxes under the General Property Tax Act, the county treasurer receives 20 cents for each description of land, but the total amount paid cannot be less than \$1. House Bill 4075 would specify that the total amount paid shall not be less than \$5. In addition, the law specifies that a county treasurer charge 25 cents for each requested description of land on a list of state tax lands or state bids. House Bill 4075 would eliminate this provision in its entirety. Finally, the bill requires that all money collected under the act be credited to the general fund of the county.

MCL 48.101

[The bill defines "qualified data file" to mean an electronic data file that includes at least the following information in the record for each parcel of real property in the county for the current tax year: (a) the taxable value; (b) the state equalized value; (c) the assessed value; (d) past sale data; (e) the property classification; (f) the property address; (g) the parcel identification number; (h) the owner's name and address; (i) the taxpayer's name and address; (j) principal residence status; (k) other tax equalization data; (l) special assessments; (m) the total millage rate; (n) an enumerated millage list; (o) the tax bill amount for the winter tax bill; and (p) the tax bill amount for the summer tax bill.]

BACKGROUND INFORMATION:

Bill History. A similar bill—House Bill 5822—passed the House during the 2013-2014 legislative session with the support of county officials and realtors.

General Property Tax Act Tax Certificates.

211.135 Recording of conveyances; tax certificate; exempted conveyances; register of deeds; violation; penalty.

Sec. 135.

(1) If any deed, land contract, plat of any town-site or village, addition to any town-site, village, or city plat, or any other instrument for the conveyance of title to any property, is presented to the register of deeds of any county in this state for recording or filing, the register of deeds shall require all of the following from the person presenting the instrument for filing:

- (a) A certificate from the state treasurer, or from the county treasurer of the county, stating whether there are any tax liens or titles held by this state, or by any individual, against the property sought to be conveyed by the instrument.
 - (b) A certificate that all taxes due on that property have been paid for the 5 years preceding the date of the instrument.
 - (c) A certificate from the city, village, or township treasurer in which the property is located, whether there are any tax titles or certificates of tax sale held by the city, village, or township, or by any individual, against the property to be conveyed.
 - (d) A certificate that all tax titles, tax certificates, or special assessments sold on that property to the city, village, or township have been redeemed for the 5 years preceding the date of the instrument.
- (2) If the certificate or certificates required under subsection (1) are not provided, the person presenting the instrument for recording shall not record the instrument until the necessary certificate is presented.

Online Property Tax Records, by County

To search public property records online and by county, please visit the following website:

<http://publicrecords.onlinesearches.com/Michigan-Assessor-and-Property-Tax-Records.htm>

ARGUMENTS:

For:

Proponents of the bill—both realtors and county treasurers—note that this proposed change in the law updates a state statute that is now 120 years old. The bill is the result of a stakeholder workgroup, convened in an effort to bring fairness and uniformity to the fees charged by county treasurers for tax verification certificates. Those who favor the bill note that an identical bill passed the Michigan House of Representatives at the end of the 2013-2014 legislation session by a vote of 110 to 0.

POSITIONS:

The Michigan Association of County Treasurers supports the bill. (2-25-15)

The Michigan Realtors support the bill. (2-25-15)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.