



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5591 (as reported without amendment)
Sponsor: Representative Triston Cole
House Committee: Local Government
Senate Committee: Local Government

CONTENT

The bill would amend the Uniform Electronic Transactions Act to allow the owner of a lot or parcel that was subject to restrictive covenants to consent to amend, reaffirm, or repeal them, in whole or in part, by an electronic signature, if the covenants applied to more than 250 lots or parcels in a single development and State law allowed the owners to amend, reaffirm, or repeal them.

(A restrictive covenant, in general, is an agreement in a deed to real property that restricts the owner's use or occupancy of the property.)

Proposed MCL 450.835a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no direct fiscal impact on State or local government. If the ability to use electronic signatures to amend, reaffirm, or repeal restrictive covenants resulted in increased amendments to covenants or deed restrictions that had to be recorded with a county register of deeds, the county register of deeds could experience a larger number of transactions, which would increase local fee revenue and administrative costs and also revenue to the State Remonumentation Fund by a minimal amount. Depending on the number of parcels involved, the increase in fee revenue and administrative costs could be locally significant.

Date Completed: 12-7-16

Fiscal Analyst: Elizabeth Pratt