

SUBSCRIPTION SERVICE FOR CERTAIN SECRETARY OF STATE RECORDS

Phone: (517) 373-8080
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Senate Bill 520 as passed Senate as (S-2)
Sponsor: Sen. Darwin Booher
House Committee: Commerce and Trade
Senate Committee: Regulatory Reform
Complete to 10-23-17

SUMMARY:

Senate Bill 520 would amend the Uniform Commercial Code to require the Secretary of State (SOS) to sell or license records filed under Part 5 of Article 9 (Secured Transactions) of the code on a subscription basis.

Currently under the Code, the filing office (the place to file a financing statement) is often the SOS. On a weekly basis, the filing office is required to offer to sell or license to the public, in bulk, copies of the records filed, in every medium available to the office.

For each record, the filing office charges \$6 to respond to a request to search records, plus the following:

- \$25 if the person requests expedited service.
- \$2 per page if the person requests copies.
- \$6 if the person requests an official seal from the SOS.

The bill would leave in place these fees, but remove the requirement that a filing office must offer to sell or license the copies on a weekly basis.

SB 520 would require the SOS to sell or license the images of the records filed, or bulk data from the records filed, on a subscription basis. This would begin no later than January 1, 2018. The SOS would establish a format for the images and bulk data, in one or more mediums available to the SOS. The SOS would be required to charge a \$500 subscription fee for a person that receives the images or data in this manner.

MCL 400.9523

FISCAL IMPACT:

The bill would result in a slight increase in revenue to the Department of State (DOS). DOS anticipates only three potential customers of a monthly bulk data subscription service resulting in an additional \$18,000 to the Expedient Service Fees Fund which supports various DOS services and programs.

Legislative Analyst: Patrick Morris
Fiscal Analyst: Mike Cnossen

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