

Legislative Analysis



SUBSCRIPTION SERVICE FOR CERTAIN SECRETARY OF STATE RECORDS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 520 as reported from committee w/o amendment

Sponsor: Sen. Darwin Booher

House Committee: Commerce and Trade

Senate Committee: Regulatory Reform

Complete to 11-7-17

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

(Enacted as Public Act 175 of 2017)

SUMMARY:

Senate Bill 520 would amend the Uniform Commercial Code (MCL 400.9523) 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:

- \$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.

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.

POSITIONS:

The Secretary of State indicated support for the bill. (10-24-17)

Randall Reilly Inc. indicated support for the bill. (10-31-17)

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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.