



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 520 (Substitute S-2 as reported)
Sponsor: Senator Darwin Booher
Committee: Regulatory Reform

CONTENT

The bill would amend Article 9 (Secured Transactions) of the Uniform Commercial Code to do the following:

- Require the Secretary of State (SOS), by January 1, 2018, to sell or license to the public, by subscription, bulk images of all records filed under Part 5 (Filing) of Article 9, or bulk data from the filed records, in a format established by the SOS and in one or more media available to the SOS.
- Require the SOS to charge a \$500 monthly subscription fee to a person that subscribed to receive the images or data.

Under Part 5 of Article 9, at least weekly, at the per-record rate under Section 9525, a filing office must offer to sell or license to the public on a nonexclusive basis, in bulk, copies of all records filed in it under Part 5 in every medium from time to time available to the filing office. The bill would amend these provisions as described above.

(Section 9525 requires a filing office (the SOS or a register of deeds) to charge a fee for responding to a request for a search of the records filed with the office concerning a debtor. The fee is \$6 plus one of the following, if applicable:

- \$25 if the person requests expediting the regular search process.
- \$2 per page if the person requests copies of the presently effective records disclosed by the search.
- \$6 if the filing office is the Secretary of State and the person requests the SOS to include an impression of the official seal of the SOS on the certificate.)

MCL 440.9523

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a small positive fiscal impact on the Department of State. Currently, the Department receives an estimated \$3.6 million annually in fees collected for Uniform Commercial Code filings for data images. The proposed legislation would allow additional companies to purchase the images in bulk and would raise an estimated \$18,000 in additional revenue on an annual basis. The Department has stated that no additional costs are anticipated under the bill, as the system necessary to comply with the proposed changes is already in place and funded with current annual appropriations.

Date Completed: 9-21-17

Fiscal Analyst: Joe Carrasco