



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4575 (Substitute H-2 as passed by the House)
Sponsor: Representative Beau Matthew LaFave
House Committee: Judiciary
Senate Committee: Judiciary

Date Completed: 6-6-17

CONTENT

The bill would amend the Revised Judicature Act to require the Department of Treasury to adjust the fees that a newspaper may charge for certain legal notices published after the bill's effective date to reflect percentage increases in the United States Consumer Price Index.

The Act prescribes the minimum and maximum rates that a newspaper may charge for publishing a legal notice or an order, citation, summons, advertisement, or other matter required by law to be published in a newspaper. Previously, the Act required the rates to be adjusted according to the U.S. Consumer Price Index each year for five years beginning March 1, 2008.

Table 1 shows the amounts stated in the Act and the adjusted amounts.

Table 1

Publication	Statutory Amount	Adjusted Amount ¹
First insertion - maximum rate per folio ²	\$20.50	\$21.75
Each subsequent insertion - maximum rate per folio	\$8.45	\$8.95
Minimum allowed cost for notice published once	\$44.00	\$65.25 ³
Minimum allowed cost for notice published twice or more	\$59.00	\$92.10 ³

¹ Source: Michigan Press Association: Folio Rate Information REVISED ON FEBRUARY 29, 2012".

² A "folio" is 100 words, according to the Michigan Press Association.

³ According to the Michigan Press Association, the amounts are based on three folios, which is the size of the standard probate notice.

Under the bill, for publications after its effective date, the Department would have to adjust the prescribed rates to reflect the percentage increase in the U.S. Consumer Price Index from March 1, 2008, to June 1, 2017. Annually, from March 1, 2018, to March 1, 2025, the Department would have to adjust the rates further by the percentage increase in the U.S. Consumer Price Index for the preceding calendar year. The results of an adjustment would have to be rounded to the nearest five cents.

Also, where the Act refers to "insertion", the bill would refer to "publication".

The bill would take effect 90 days after its enactment.

MCL 600.2534

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would increase costs to the State and local units of government. The total costs to the State and local units of government would be determined based on future increases in the United State Consumer Price Index (CPI) and the number of publications of legal notice required to be made in a single year.

The rates that reflect the CPI increase from March 1, 2008, to April 1, 2017, are listed below:

- \$23.50 per folio for the first publication.
- \$9.70 per folio for each subsequent publication.
- \$50.40 minimum for a notice that must be published once.
- \$67.55 minimum for a notice that must be published twice or more.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.