

Senate Bill 575 (as discharged)
Sponsor: Senator Sam Singh
Committee: Appropriations (discharged)

CONTENT

Senate Bill 575 would modify the Revised Municipal Finance Act to increase filing fees and late fees for municipal securities. The bill also would require the Department of Treasury to annually adjust filing fee percentages, minimum and maximum filing fee amounts, and associated late fees by the inflation rate beginning on January 1, 2026.

Senate Bill 575 would alter the filing fee and late fees as shown in Table 1 below:

Table 1

	Current Law	SB 575
<i><u>Qualified Statement Application Fee</u></i>		
Percentage of the principal amount of the security to be issued	0.03%	0.04%
Minimum.....	\$800	\$1,600
Maximum.....	\$2,000	\$4,000
Late Fee	\$100	\$200
<i><u>Municipal Security Issuance Filing Fee</u></i>		
Percentage of the principal amount of the security to be issued	0.02%	0.03%
Minimum.....	\$100	\$200
Maximum.....	\$1,000	\$2,000
Late Fee	\$100	\$200

The bill also would update a reference to the Financial Stability and Choice Act (Public Act 436 of 2012) and permit a municipality's chief administrative officer's designee to certify an application for qualified status.

MCL 141.2303 & 141.2319

FISCAL IMPACT

The bill would have a positive fiscal impact on State government and a negligible fiscal impact on local units of government. The adjustments would result in nominal fees that more closely reflect Consumer Price Index increases since the Act's enactment in 2001. The Department of Treasury estimates that the proposed increases and inflation-adjustment requirement would result in approximately \$398,000 in additional fee revenue based on average annual filing fees for the previous two decades, resulting in an average annual revenue amount of an estimated \$909,000. The number of filing fees each year is expected vary significantly based on economic conditions.

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