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BILL ANALYSIS

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Senate Bill 721 (as passed by the Senate)  
Sponsor: Senator Jeremy Moss  
Committee: Local Government

Date Completed: 3-4-24

### **CONTENT**

**The bill would amend Public Act (PA) 200 of 1945, which defines a marketable record title to an interest in land, to extend, from March 29, 2024, to September 29, 2025, the date by which an interest, claim, or charge in a marketable title may be preserved and kept effective by filing a notice.**

Under the Act, to possess a marketable record title to an interest in land, a person must have held an unbroken chain of title of record for 20 years for mineral interests and 40 years for other interests. The marketable record title is subject to claims to that interest and defects of title in records forming the chain of record title that are recorded during the 20-year period for mineral interests or the 40-year period for other interests. ("Unbroken chain of record title" generally refers to the historic sequence of transfers of title to a property all the way back to the original owner.)

Under the Act, an interest, claim, or charge may be preserved and kept effective by filing for record a notice in writing, verified by oath, setting forth the nature of the claim in the manner required in the Act, by March 29, 2024, or during the 20-year period for mineral interests and the 40-year period for other interests. The bill would extend this time for interests, claims, or charges to be filed for record until September 29, 2025.

Additionally, PA 572 of 2018 amended PA 200 of 1945 to change how conveyances and other title transactions are properly recorded. After PA 572 of 2018, to sufficiently identify a conveyance or other title transaction, a record must either create the divestment or specifically refer by liber and page or other county-assigned unique identifying number to a previously recorded conveyance or other title transaction that created the divestment. Public Act 572 of 2018 gave until March 29, 2021, to amend conveyances or other title transactions accordingly. The bill would extend this time until September 29, 2025.

MCL 565.101 & 565.103

### **BRIEF RATIONALE**

The bill would extend the sunset for preserving existing mineral or other interests in a marketable record title. According to testimony, stakeholders have tried to extend the sunset since 2020 while they work on changes to PA 200. Without first extending the sunset of March 29, 2024, the date may pass and real property interests including easements, restrictions, and agreements to maintain roads or storm drains may be lost. Accordingly, it has been suggested that the sunset be extended to allow more time for stakeholders to modify the Act.

Legislative Analyst: Alex Krabill

## **FISCAL IMPACT**

The bill would have no fiscal impact on the State and a negligible impact on local units of government.

Fiscal Analyst: Bobby Canell

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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.