



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 226 (Substitute S-2 as passed by the Senate)
Sponsor: Senator Rick Jones
Committee: Judiciary

Date Completed: 3-28-18

RATIONALE

The Revised Judicature Act governs, among other things, the service of process and papers from Michigan courts and prescribes the fees allowed to be charged for those purposes. To ensure that documents are served appropriately, many institutional parties apparently require additional verification of service. Verification can come in the form of logging the GPS coordinates of the process server's presence at the required location, photographic verification of his or her presence there, or both. The Act does not authorize a person to charge for those services, however. Also, the schedule for process service fees in the statute does not reflect the amounts that are currently permitted to be charged. Accordingly, it has been suggested that these issues should be addressed through amendments to the Act.

CONTENT

The bill would amend the Revised Judicature Act to do the following:

- **Establish \$5 fees for a global positioning service verification and for a photo verification requested by a plaintiff.**
- **Revise the schedule of process service fees to reflect the current amounts.**

Section 2559 of the Act establishes a schedule of fees allowed for process or papers served out of a court in Michigan by a person authorized to serve process under the Act or by Supreme Court rule.

In addition to the fees currently authorized by Section 2559, the bill would include the following in the fee schedule:

- \$5, for each global positioning service verification requested by a plaintiff.
- \$5, for each photo verification requested by a plaintiff.

(The bill also would increase by \$3 various other fees authorized under Section 2559, but those changes would reflect the amounts of the current fees. The fees were last increased by Public 558 of 2012, which provided for the listed fees to be increased by \$1 on October 1 in 2013, 2014, and 2015.)

The bill would take effect 90 days after its enactment.

MCL 600.2559

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Increasingly, institutional creditors are requiring individuals who serve process for them to provide independent verification that documents are served at the appropriate place. Process servers use the Global Positioning System (GPS) to locate an address and serve defendants. In addition, many now log GPS coordinates when they attempt service to verify their presence at the appropriate location. Alternatively, or in tandem with GPS verification, some who serve process photograph the location for verification purposes.

These verifications help to ensure that those who serve process are complying with statutes and court rules, and reduce defendants' claims that they did not receive notice. The Act currently provides no authorization to collect fees for additional verification services, even though there are expenses (typically in the form of equipment or software licenses) to provide them. The bill would allow an individual authorized to serve process to collect fees for these services. The bill also would change the schedule of fees to reflect the amounts of the current fees, as described above.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on State government but could provide additional revenue for local sheriffs' departments by adding fees for various services provided, to help offset costs.

According to the Oakland County Sheriff's Department, the new fees for global positioning service verification and photo verification would help pay for services that the department felt obligated to provide at no additional fee, despite its responsibility to pay a licensing fee for the software to provide those services.

Fiscal Analyst: Bruce Baker

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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.