

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1053-03  
Bill No.: SB 268  
Subject: Fees; County Officials; Housing; Public Assistance  
Type: Original  
Date: March 3, 2009

Bill Summary:           Modifies provision relating to the Missouri Housing Trust Fund

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Missouri Housing Trust Fund	\$7,350,000	\$8,175,000	\$9,000,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$7,350,000</b>	<b>\$8,175,000</b>	<b>\$9,000,000</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$1,225,000 to Unknown</b>	<b>\$1,362,500 to Unknown</b>	<b>\$1,500,000 to Unknown</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Economic Development - Missouri Housing Development Commission** stated that this proposal would increase the amount of recording fees deposited into the Missouri Housing Trust Fund. Officials stated that the current fee of \$3 generates \$3,675,000 in FY09. Assuming the same level of recording activity in 2010 and gradual increases in activity in 2011 – 2012 as the housing market recovers, it is projected that the \$6 increase proposed to go to the Trust Fund would generate an additional \$7,350,000 in FY10, \$8,175,000 in FY11 and \$9,000,000 in FY12. Officials stated they could administer the increase with existing staff.

The fiscal impact is derived by multiplying the amount of increased recording fee going to the Housing Trust Fund by the number of documents projected to be recorded. In FY09, the number of applicable documents projected to be recorded is 1,225,000. Based on MHDC's knowledge of the current state of the housing market, it is assumed that the number of applicable documents recorded remain the same in FY10 and will slowly gain in activity back up to the historical average of 1,500,000 documents recorded in FY12. These assumptions about the number of documents filed result in the revenue estimates that follow. FY10:  $1,225,000 \times \$6 = \$7,350,000$ . FY11:  $1,362,500 \times \$6 = \$8,175,000$ . FY12:  $1,500,000 \times \$6 = \$9,000,000$ .

The proposal also raises the income limits for households served through the MHTF and makes stipulations on how the increased revenue can be used. However, these changes have no fiscal impact.

The **St. Louis County Recorder of Deeds** assumed in calendar year 2010 the fees increase would generate \$450,000 to the Housing Trust Fund, and the \$1 fee increase would generate \$50,000 for the Recorder of Deeds Fund. The Recorder estimated the \$6 fee increase in calendar years 2011 and 2012 would generate  $150,000 \text{ filings} \times \$6 \text{ fee increase} = \$900,000$  for the Housing Trust Fund and the \$1 fee would generate  $150,000 \times \$1 = \$150,000$  for the County's Recorder of Deeds Fund.

**Oversight** assumes that the amount of revenue generated by the \$1 fee increase that would go to the County Recorder of Deeds Fund is indeterminable on a statewide basis. **Oversight** has no way to determine the number of mortgage-related documents that would be filed in each county annually.

ASSUMPTION (continued)

**Oversight** assumes that if you would use the statewide filing estimate of 1,500,000 documents that was submitted and used by the Missouri Housing Development Commission, (1,500,000 x the \$1 fee increase), the annual statewide increase of revenue to the County Recorder of Deeds Fund would be \$1,500,000. **Oversight** will show fiscal impact to the County Recorder of Deeds Fund as \$1,500,000 to Unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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**MISSOURI HOUSING TRUST FUND**

Income - To Missouri Housing Trust Fund

From \$6 increase in recording fees. *	<u>\$7,350,000</u>	<u>\$8,175,000</u>	<u>\$9,000,000</u>
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<b>ESTIMATED NET EFFECT TO MISSOURI HOUSING TRUST FUND</b>	<b><u>\$7,350,000</u></b>	<b><u>\$8,175,000</u></b>	<b><u>\$9,000,000</u></b>
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\* Actual revenues generated by the fee increase would depend upon the number of mortgage-related documents filed annually.

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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**COUNTY RECORDER OF DEEDS FUND**

Income - To County Recorder of Deeds Fund

From \$1 increase in recording fee.	<u>\$1,225,000 to Unknown</u>	<u>\$1,362,500 to Unknown</u>	<u>\$1,500,000 to Unknown</u>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT - RECORDER OF DEEDS FUND</b>	<b><u>\$1,225,000 to Unknown</u></b>	<b><u>\$1,362,500 to Unknown</u></b>	<b><u>\$1,500,000 to Unknown</u></b>
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FISCAL IMPACT - Small Business

Small businesses in the real estate industry would be expected to pay an increase in filing fees when recording mortgage-related documents.

FISCAL DESCRIPTION

This bill increases from \$3 to \$10 the fee charged for certain recorded documents pertaining to real property by the County Recorder of Deeds. Nine dollars of the fee is designated for the Missouri Housing Trust Fund, and \$1 is designated for the County Recorder for use at his or her discretion.

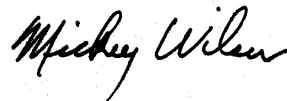
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development  
Missouri Housing Development Commission  
St. Louis County Recorder of Deeds

NOT RESPONDING

Boone County Recorder of Deeds  
Callaway County Recorder of Deeds  
St. Louis City Recorder of Deeds  
Greene County Recorder of Deeds  
Jackson County Recorder of Deeds



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