

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1846-01
Bill No.: SB 362
Subject: County Officials; Secretary of State; Fees
Type: Original
Date: February 24, 2009

Bill Summary: Would increase recording user fees, and would require requests for records dated after December 31, 1969, to be made to the office in which the record was originally filed.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Records Preservation	\$993,912	\$1,192,694	\$1,169,294
Total Estimated Net Effect on Other State Funds	\$993,912	\$1,192,694	\$1,169,294

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

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

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

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$993,912	\$1,192,694	\$1,192,694

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** (SOS) assume this proposal would add two dollars to the fee for recording an instrument with recorders. One dollar would go to the SOS and the other to the recorder. The additional revenue would be used by the SOS for preservation of local records. The Fiscal Division of the SOS estimates the additional revenues resulting from this proposal to be \$1,192,694 in FY 2009. With the proposal taking effect on August 28, 2009, there would be an increase in revenues of \$993,912 for FY10 and \$1,192,694 for each subsequent fiscal year.

The SOS indicated an increase in revenue for the Local Records Preservation Fund and for Local Government Recorders' funds of \$993,912 for FY 2010 and \$1,192,694 for FY 2011 and FY 2012.

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact on their organization.

Officials from **Cass County** assume this proposal would increase revenues to the Recorder's Fund but did not provide an estimate of the amount.

ASSUMPTION (continued)

Officials from **St. Louis County** assume this proposal would provide additional revenue for the state and for the recorder's office. The revenue generated would be from an increase on state user fees from \$4.00 to \$6.00 charged on certain recorded documents. The state portion is used by the Secretary of State for preservation of local records. Distribution of fees would be \$3.00 for the State and \$3.00 for the Recorder of Deeds. The recording count estimate includes marriage license recordings.

2010 Sept. - Dec. 52,000 recordings x \$6 = \$312,000
 \$156,000 State and \$156,000 Recorder

2010 Jan. - Aug 104,000 recordings x \$4 = \$ 416,000
 \$208,000 State and \$208,000 Recorder

2011 - 156,000 recordings x \$6 = \$ 936,000
 \$468,000 State and \$468,000 Recorder

2012 - 156,000 recordings x \$6 = \$ 936,000.00
 \$468,000.00 State and \$468,000.00 Recorder

Oversight will use the Secretary of State's estimate of revenue for the state and for local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LOCAL RECORDS PRESERVATION FUND			
<u>Revenue increase - recording fees</u>	<u>\$993,912</u>	<u>\$1,192,694</u>	<u>\$1,192,694</u>
ESTIMATED NET EFFECT ON LOCAL RECORDS PRESERVATION FUND	<u>\$993,912</u>	<u>\$1,192,694</u>	<u>\$1,192,694</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LOCAL GOVERNMENTS			
<u>Additional revenue</u> - recording fees	\$993,912	\$1,192,694	\$1,192,694
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$993,912</u>	<u>\$1,192,694</u>	<u>\$1,192,694</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

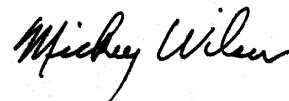
FISCAL DESCRIPTION

This proposal would add two dollars to the fee for recording an instrument with recorders. One dollar would go to the Office of the Secretary of State and the other would go to the recorder.

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

Office of the Secretary of State
Department of Revenue
Cass County
St. Louis County



Mickey Wilson, CPA
Director
February 24, 2009