

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4976-01  
Bill No.: HB 2058  
Subject: Liens, Motor Vehicles, Business and Commerce  
Type: Original  
Date: February 22, 2010

Bill Summary: Would modify certain provisions relating to mechanic's liens against residential real property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</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 2011</b>	<b>FY 2012</b>	<b>FY 2013</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 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Courts Administrator**, the **Department of Revenue**, and **Cass County** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Attorney General** assume that any additional costs arising from this proposal could be assumed with existing resources.

Officials from the office of the **St. Louis County Recorder** (Recorder) assume this proposal would modify certain provisions relating to mechanic's liens against residential property. Recorder's office officials stated that currently, the Recorder's office only receives a notice of intent to file a mechanic's lien when there are unpaid contractors, suppliers, subcontractors, or workers. The proposal would require any entity that wants to retain the ability to file a mechanic's lien to file and record a notice to that effect. Accordingly, the proposal would lead to a significant increase in filing. The Recorder's office provided an estimate of \$24,000 per year additional revenue, based on new construction permits filed.

**Oversight** did not receive any other responses to our request for information. Oversight notes that the proposed requirement would be limited to new construction, and will indicate unknown additional revenue to local governments for recording fees.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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**LOCAL GOVERNMENTS**

<u>Additional Revenue - recording fees</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<u><u>Unknown</u></u>	<u><u>Unknown</u></u>	<u><u>Unknown</u></u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses involved in new residential construction.

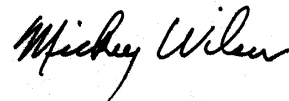
FISCAL DESCRIPTION

The proposal would modify certain provisions relating to mechanic's liens against residential real property.

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 State Courts Administrator  
Office of the Attorney general  
Cass County  
Office of the St. Louis County Recorder



Mickey Wilson, CPA  
Director  
February 22, 2010