

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1970-02
Bill No.: SB 453
Subject: County Government; Fees
Type: Original
Date: April 7, 2017

Bill Summary: This proposal modifies certain provisions relating to county recording fees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	Greater than \$3,333,333	Greater than \$4,000,000	Greater than \$4,000,000

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume no fiscal impact from this proposal.

Officials at **St. Louis County**, the **Callaway County Commission**, the **Cole County Recorder of Deeds** and the **St. Charles County Recorder of Deeds** each assume no fiscal impact to their respective entities from this proposal.

Using information from the DOR's Fees Administered Report fiscal year ending June 30, 2016, **Oversight** assumes the following information:

	Current Fees Administered (at \$2 per document)	Number of Recorded Documents	Proposed \$1 increase in fees would generate:
FY16	\$8,597,142	4,298,571	\$4,298,571
FY15	\$8,314,148	4,157,074	\$4,157,074
FY14	\$8,607,793	4,303,897	\$4,303,897
FY13	\$10,024,229	5,012,115	\$5,012,115
FY12	\$9,007,133	4,503,567	\$4,503,567

A \$1 increase from this proposal would result in additional revenues of greater than \$4,000,000 each year. The Statutory County Recorder's Fund (0251) consist solely of local recorder proceeds and disbursements. The annual fund activity reports from the Office of the State Treasurer has shown no activity in this fund over the past two years and there is no balance in the fund.

Therefore, **Oversight** will not reflect an impact to the state fund, but instead will reflect a fiscal impact greater than \$4,000,000 directly to the counties for this proposal. Oversight will reflect 10 months of impact in FY 2018.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
COUNTIES			
Income - Increase from \$5 to \$6 for fees collected by county recorder of deeds on each instrument recorded	Greater than <u>\$3,333,333</u>	Greater than <u>\$4,000,000</u>	Greater than <u>\$4,000,000</u>
ESTIMATED NET EFFECT TO COUNTIES	Greater than <u>\$3,333,333</u>	Greater than <u>\$4,000,000</u>	Greater than <u>\$4,000,000</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Under current law, a certain fee relating to the recording of deeds is five dollars. This act changes the fee to six dollars and allocates the additional dollar raised to the Statutory County Recorder's Fund.

The act also creates a new process to occur when the annual average collected into the Statutory County Recorder's Fund is insufficient to meet its obligations. In that case, the fund is to be supplemented by another source or a new maximum county allocation is to be set, depending on whether the shortfall meets a certain threshold.

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

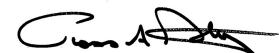
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SOURCES OF INFORMATION

Department of Revenue
St. Louis County
Cole County Recorder of Deeds
Callaway County Commission
St. Charles County Recorder of Deeds

Mickey Wilson, CPA

Director
April 7, 2017



Ross Strope
Assistant Director
April 7, 2017