

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3010-04  
BILL NO.: SCS for SB- 697  
SUBJECT: Circuit Clerks: Counties, Recorder of Deeds  
TYPE: Original  
DATE: March 3, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
State Court Administrator Recorder's Special	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

## FISCAL ANALYSIS

### ASSUMPTION

**State Courts Administrator** officials stated that there would be no appreciable state costs or savings.

Officials stated that Section 59.333 provides for an additional \$10 fee for recording any instrument. The fees would be paid to the State Courts Administrator, who would receive and hold the monies in a fund outside the state's treasury with records - tracking receipts by county. Money would be returned only to those counties that adopt or have adopted a system of appointed Circuit Clerks as provided for in Section 483.015 RSMo, or section 483.018 RSMo. Money received from a county would be paid back to the county, 20% going to the Recorders Fund and 80% going to a special fund established within the county's treasury to provide for the operation of the Recorder of Deeds Office.

Monies that would not be returned to counties that have not adopted the provisions of this proposal would build up in the State Court Administrator's special fund and after a year would be transferred to the state's General Revenue Fund.

Officials stated that they obtained information from the Recorder of Deeds organization that about 1.3 million instruments are recorded annually, which would yield about \$13,000,000 annually.

**Oversight** assumes the State Court Administrators office would be able to handle additional administrative duties at current appropriation levels.

The **Taney County Clerk** stated that their county would be changing to first class and a split of the Circuit Clerk and Recorder of Deeds would occur. Officials assumed no fiscal impact.

Officials estimated that the \$10 fee would generate \$37,000 annually.

The **McDonald County Circuit Clerk and Ex-Officio Recorder** stated that the proposed increase in recording fees would more than offset the costs of funding the Recorder of Deeds office. Officials assume no fiscal impact.

The **Washington County Circuit Clerk and Ex-Officio Recorder** stated that they now have a separate office for the Recorder and it is maintained by the county. The current employees would be the same. Officials assume fiscal impact would be minimal.

ASSUMPTION (continued)

L.R. NO. 3010-04  
BILL NO. SCS for SB- 697  
PAGE 3 OF 6  
March 3, 2000

The **Court Administrator of Jackson County** assumes no fiscal impact on the Circuit Court of Jackson County.

The **Macon County Circuit Clerk and Ex-Officio Recorder** stated that in 1998 their office recorded 3,389 instruments, which would generate \$33,890 based on the proposed \$10 recording fee. Officials stated that by separating the Recorders Office would have a positive fiscal impact.

**Oversight** assumes that in counties where the Circuit Clerk is elected, the question of making the Circuit Clerk position an appointed position would require voter approval. Those counties which choose to put the question on a ballot would have election costs.

#### **SECTION - 483.245**

Officials from the **Office of State Courts Administrator (CTS)** assumes Section 483.245 of the proposed legislation would give the 22<sup>nd</sup> Judicial Circuit of Missouri (City of St. Louis) the authority to control designated positions (court room clerks, docket and calendar control clerks, data processing and personnel staff) by local court rule. Overall, CTS assumes the proposal would have no appreciable impact on the state or county budget of the courts.

Officials from the **Office of the Attorney General** assume the proposal would have no fiscal impact on their agency.

Officials from the **22<sup>nd</sup> Judicial Circuit of Missouri – Office of the Circuit Clerk (City of St. Louis)** assume the proposal would not have a direct fiscal impact on their budget; however, they assume their office would be required to employ additional persons to perform work that is currently performed by the employees who would be transferred to the control of the judges. The City of St. Louis Circuit Clerk is statutorily responsible for keeping records and their office enters nearly 400,000 pleadings into the computer record annually. The St. Louis City Circuit Clerk assumes that he would be unable to fulfill the duties required by his office, as he would be unable to require that the necessary work be completed by employees who are no longer under his authority. Specifically, the St. Louis City Circuit Clerk assumes he would be required to employ fifteen additional Circuit Clerks III at an annual cost of at least \$315,900 (\$21,060 minimum starting salary times 15 positions); at least two new personnel employees at an annual salary cost of at least \$57,000; at least three new docketing clerks at an annual salary cost of at least \$93,000; and an unknown number of data processing clerks at an annual salary cost of at least \$120,000. Overall, the St. Louis City Circuit Clerk assumes the proposal would result in an annual cost of at least \$585,900, which does not include payroll costs, fringe benefits, and future salary increases.

ASSUMPTION (continued)

RWB:LR:OD:005 (9-94)



<u>FISCAL IMPACT - Local Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
<b>COUNTIES</b>			
<u>Cost</u> - Transfer of Fees to state courts	(\$6,500,000)	(\$13,000,000)	(\$13,000,000)
<u>Income</u> - Transfers from State Courts	\$0 to	\$0 to	\$0 to
Administrator Recorders' Special Fund	\$6,500,000	\$13,000,000	\$13,000,000
 <u>Cost</u> - Recorders' Administration	 (\$0 to \$6,500,000)	 (\$0 to \$13,000,000)	 (\$0 to \$13,000,000)
<b>NET EFFECT ON COUNTIES WITH APPOINTED CIRCUIT CLERKS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small businesses would have fiscal impact to the extent that they would pay an additional \$10 fee when recording instruments.

DESCRIPTION

This act changes the procedures for separating the offices of recorder of deeds and circuit court clerk by combining them with procedures to make the circuit clerk appointed. All counties will have the option to have a recorder. Current law limits recorders to just 1st, 2nd and certain 3rd class counties. The option can be exercised by voting to have an appointed circuit clerk. An affirmative vote accomplishes both appointment procedures and separation of the recorder's and clerk's offices. The county election to make clerks appointed may be set by the county commission, or by petition of 5% of the voters.

A charge of \$10 on recorded instruments relating to property is imposed after January 1, 2001. Every county collects the \$10 and pools it through the Office of the State Courts Administrator. Only counties with an appointed clerk receive the money back - 20% directly to the recorder to pay for certain office costs, and 80% to the county treasury to be used only for the recorder's office. Money from counties that have an elective circuit clerk are passed on to the state's general revenue.

Geographic limitations (state residency, jurisdictional residency) are removed from both elected and appointed clerks. Section 483.010, RSMo, further states that clerks are judicial employees of the circuit court under which they serve.

L.R. NO. 3010-04  
BILL NO. SCS for SB- 697  
PAGE 6 OF 6  
March 3, 2000

DESCRIPTION(continued)

Current law remains that circuit clerks in St. Louis City, and the counties of St. Louis, St. Charles and Jackson will take office pursuant to the charter of these respective entities. If the clerk's office is made appointive, then the state will pay the portion of the clerk's salary that would be paid for a county of such size.

Vacancies of all clerks are filled by the circuit court. Currently, they would be filled by the Governor. In elected counties, the appointment would last until the next election.

Circuit clerk staff may still be appointed by the circuit clerk, except in St. Louis City courts, where control over deputy circuit clerks, docket clerks, data processing personnel and personnel officers shall be by local court rule. Removal and conditions of employment remain subject to Supreme Court rule 7, but shall be subject to appropriations and the administrative rules of the Supreme Court. Beginning January 1, 2003, circuit clerk salaries will be fixed by the Supreme Court.

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 Attorney General  
State Courts Administrator  
McDonald County Circuit Clerk  
Washington County Circuit Clerk  
Jackson County Court Administrator  
Macon County Circuit Clerk  
Circuit Clerk 22<sup>nd</sup> Judicial Circuit - St. Louis City



Jeanne Jarrett, CPA  
Director  
March 3, 2000