

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 3804-01
Bill No.: HB 1180
Subject: Recorder of Deeds: Fees, Missouri Housing Trust Fund
Type: Original
Date: March 2, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$1,638,888	\$1,966,666	\$1,966,666
Total Estimated Net Effect on General Revenue Fund	\$1,638,888	\$1,966,666	\$1,966,666

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Mo. Housing Trust	\$2,458,333	\$2,950,000	\$2,950,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,458,333	\$2,950,000	\$2,950,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government *	Less than \$819,444	\$983,333	\$983,333

*** Oversight assumes Income to the Recorder's Fund would be greater than cost of programming resulting in a positive fund balance in FY 2005.**

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of State Treasurer** assume no fiscal impact.

Officials of the **Department of Revenue** assume no fiscal impact.

Officials of the **Office of Administration** assume no fiscal impact.

Officials of the **Department of Economic Development - Missouri Housing Trust** assume this bill would increase the amount of the recording fee on real estate documents. An additional \$1.50 per document would be deposited into the Missouri Housing Trust Fund and an additional \$.50 cents would be deposited into the Recorder's Fund. There would be an additional fee of \$1 per document that would be deposited into the General Revenue Fund to be appropriated by the General Assembly. Based on the amount of funds received by MHDC in FY 2003, we estimate this would generate an additional \$2,950,000 for the Missouri Housing Trust Fund annually, approximately. \$1,966,666 for the General Revenue Fund annually and approx. \$983,333 for the Recorder's Fund annually. Officials assume they could administer the additional funds with existing staff.

ASSUMPTION (continued)

Oversight will show fiscal impact to the Missouri Housing Trust Fund for 10 months of FY 2005 at \$2,458,333; and \$2,950,000 in FY 2006 and 2007. Fiscal impact to the State General Revenue Fund for 10 months of FY 2005 is estimated to be \$1,638,888; in FY 2006 and 2007 at \$1,966,666. Fiscal impact to the Recorder's Fund is estimated for 10 months of FY 2005 at \$819,444; and in FY 2006 and 2007 at \$983,333.

Officials of the **Callaway County Recorder of Deeds** stated that they recorded 14,000 documents last year. Officials stated that new fees would produce approximately \$28,000 in Callaway County..

Officials of the **Greene County Recorder of Deeds** assume the new fees would produce approximately \$458,238.

Officials of the **Boone County Recorder of Deeds** assumes this proposal would require Recorders to make software adjustments in programming. Officials assume costs would vary county to county depending on the system used. Officials assume the increase of \$.50 cents to the Recorder's Fund would help offset any cost.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE FUND

<u>Income</u> to Mo. Housing Trust Fund from recording fee increases	<u>\$1,638,888</u>	<u>\$1,966,666</u>	<u>\$1,966,666</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND *	<u>\$1,638,888</u>	<u>\$1,966,666</u>	<u>\$1,966,666</u>

MISSOURI HOUSING TRUST FUND

<u>Income</u> to Mo. Housing Trust Fund from increase in recording fees	<u>\$2,458,333</u>	<u>\$2,950,000</u>	<u>\$2,950,000</u>
ESTIMATED NET EFFECT TO MO. HOUSING TRUST FUND *	<u>\$2,458,333</u>	<u>\$2,950,000</u>	<u>\$2,950,000</u>

*** Amounts are estimates and are based on FY 2003 actual collection figures.**

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
COUNTY RECORDER'S FUND			
<u>Income</u> to County Recorder's Fund from 50 cent fee increase in recordings	<u>\$819,444</u>	<u>\$983,333</u>	<u>\$983,333</u>
<u>Cost</u> to County Recorder's Fund programming, software costs	(Unknown)	\$0	\$0
ESTIMATED NET EFFECT TO LOCAL GOVERNMENTS	<u><u>Less than</u></u> <u><u>\$819,444 *</u></u>	<u><u>\$983,333</u></u>	<u><u>\$983,333</u></u>

*** Amounts are estimates based on FY 2003 actual figures. Oversight assumes income from fees would more than offset any programming costs, and expects a positive fund balance.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill increases to \$5 the additional \$3 fee charged by a County Recorder of Deeds for recording certain instruments. The Recorder must transfer \$4.50 of the fee to the Missouri Housing Trust Fund and the remaining 50 cents to the Recorders' Fund. Under current law, the entire \$3 fee is transferred to the Missouri Housing Trust Fund. The bill also adds an additional fee of \$1 for the recording of certain instruments. Funds from this fee are transferred to the state's General Revenue Fund to be appropriated by the General Assembly.

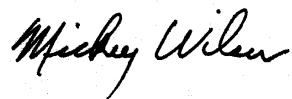
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Treasurer
Department of Economic Development- Mo. Housing Development Commission
Department of Revenue
Office of Administration
Boone County Recorder of Deeds
Greene County Recorder of Deeds
Callaway County Recorder of Deeds

NOT RESPONDING

Laclede County Recorder of Deeds
St. Charles County Recorder of Deeds
St. Louis City Recorder of Deeds



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March 2, 2004