

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0911-01
Bill No.: HB 235
Subject: Recorder of Deeds: Certificate of Value
Type: Original
Date: February 14, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$240,000	\$480,000	\$480,000

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Missouri State Tax Commission** assume that if the Tax Commission is to furnish the "Certificate of Value" forms to each County Recorder of Deeds, the estimated cost of printing approximately 200,000 forms is estimated to be \$2,000. Tax officials stated that the cost can be absorbed with existing resources.

Tax Commission officials stated that this form must be delivered to and filed by the County Assessor. A \$10 filing fee has been created and must be paid at the time the deed is filed. Officials stated it is not clear who will be paid the \$10 fee, the County Assessor, the Recorder of Deeds, or would it go to the County's General Revenue Fund.

Tax Commission officials assume there are approximately 2.4 million parcels of residential, and commercial real property in the State of Missouri and assuming that 2% of the property is transferred annually, **an additional \$480,000 in revenue could be generated for the counties.**

ASSUMPTION (continued)

The **Platte County Assessor** assumes if the \$10 fee is given to the Assessor he would not require additional funding to add this function to the office.

The **Boone County** and **Callaway County Recorder of Deeds** both could see some fiscal impact but did not elaborate. Oversight assume administrative impact.

Officials of the **Jefferson County Assessor's** office assume any fiscal impact to the Assessor's office would be minimal. The cost of forms, staffing, and postage, would be offset by cost currently being incurred in other methods they employ to obtain sales information.

Officials of the **St. Louis County - Department of Revenue** stated that the Certificate of Value is already being recorded in St. Louis County and assume no fiscal impact.

Oversight assumes this legislation requires forms to be provided by the State Tax Commission; therefore, the Assessors would not realize any cost from printing of forms. Oversight assumes that Assessors and Recorder of Deeds would have some administrative impact, however; Oversight assumes impact would be minimal. Oversight assumes that Assessors that go out annually and try to obtain sales information would have some time savings if this proposal would pass. Oversight will not show any fiscal impact to local officials other than the income generated by the \$10 filing fee.

This proposal does not specify which county official would retain the \$10 fee; however, this proposal states, "no deed may be filed without a Certificate of Value, for which there shall be a filing fee of ten dollars, payable at the time of filing." Oversight assumes the County Recorder of Deeds would collect the \$10 fee, and will show the income generated by the fee to be deposited in the County's Recorder's Fund.

FISCAL IMPACT - State Government

FY 2006
(6 Mo.)

FY 2007

FY 2008

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2006
(6 Mo.)

FY 2007

FY 2008

**COUNTY RECORDER OF DEEDS
FUND**

Income to County Recorder of Deeds

Fund

from \$10 fee collected by county officials
at filing of certificate of value.

\$240,000

\$480,000

\$480,000

**ESTIMATED NET EFFECT TO
LOCAL GOVERNMENT**

\$240,000*

\$480,000

\$480,000

***This proposal has an effective date of January 1, 2006.**

FISCAL IMPACT - Small Business

Small businesses would be expected to pay an additional \$10 filing fee and provide a "Certificate of Value" on the sale of their property as a result of this proposal.

DESCRIPTION

This bill requires that a certificate of value containing the actual amount of consideration or reasonable estimate of the true current market value and a statement of actual or intended use of property be filed with the Assessor before the Recorder of Deeds can accept the filing of any instrument by which any lands or other interest in real property are conveyed to the purchaser or any other person. One copy of the certificate of value will be forwarded to the State Tax Commission for use on certain administrative tasks and one retained by the Assessor for the purpose of assisting in implementing general reassessment or an assessment and equalization plan. Certain exemptions from the requirements and penalties for violations are specified.

The bill has an effective date of January 1, 2006.

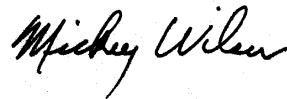
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri State Tax Commission
Boone County Recorder of Deeds
Callaway County Recorder of Deeds
Jefferson County Assessor
Platte County Assessor
St. Louis County - Department of Revenue

NOT RESPONDING

Marion County Assessor
Clay County Assessor
Andrew County Assessor
Johnson County Assessor
Butler County Assessor
Warren County Assessor
St. Charles County Assessor

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 14, 2005