

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4456-01  
Bill No.: HB 1740  
Subject: County Recorder of Deeds: Public Housing, Fees  
Type: Original  
Date: April 8, 2008

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Bill Summary: Increases the fee collected by each Recorder of Deeds to be deposited into the Missouri Housing Trust Fund and Recorder of Deeds Fund from \$3 to \$10.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Missouri Housing Trust Fund	\$9,000,000	\$9,000,000	\$9,000,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$9,000,000</b>	<b>\$9,000,000</b>	<b>\$9,000,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>\$1,500,000 to Unknown</b>	<b>\$1,500,000 to Unknown</b>	<b>\$1,500,000 to Unknown</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials of the **Department of Economic Development - Missouri Housing Development Commission** stated that this proposal would increase the amount of recording fees deposited into the Missouri Housing Trust Fund. Officials stated that the current fee of \$3 generates \$4,500,000. Officials estimate the \$6 increase would generate an additional \$9,000,000 annually. Officials stated that the exact amount generated annually by the \$6 fee increase would depend on the number of mortgage-related documents filed each year. In making their estimates officials projected there would be 1,500,000 documents filed annually x \$6 increase in fees, would equal \$9,000,000. Officials stated they could administer the increase with existing staff.

The **St. Louis County Recorder of Deeds** assumed in calendar year 2009 the fees increase would generate \$390,000 to the Housing Trust Fund, and the \$1 fee increase would generate \$65,000 for the Recorder of Deeds Fund. The Recorder estimated the \$6 fee increase in calendar years 2010 and 2011 would generate 194,000 filings x \$6 fee increase = \$1,164,000 for the Housing Trust Fund and the \$1 fee would generate 194,000 x \$1 = \$194,000 for the County's Recorder of Deeds Fund.

**Oversight** assumes that the amount of revenue generated by the \$1 fee increase that would go to the County Recorder of Deeds Fund is indeterminable on a statewide basis. **Oversight** has no way to determine the number of mortgage-related documents that would be filed in each county annually.

**Oversight** assumes that if you would use the statewide filing estimate of 1,500,000 documents that was submitted and used by the Missouri Housing Development Commission, (1,500,000 x the \$1 fee increase), the annual statewide increase of revenue to the County Recorder of Deeds Fund would be \$1,500,000. **Oversight** will show fiscal impact to the County Recorder of Deeds Fund as \$1,500,000 to Unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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**MISSOURI HOUSING TRUST FUND**

**Income** - To Missouri Housing Trust  
 Fund

From \$6 increase in recording fees. *	<u>\$9,000,000</u>	<u>\$9,000,000</u>	<u>\$9,000,000</u>
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<b>ESTIMATED NET EFFECT TO MISSOURI HOUSING TRUST FUND</b>	<b><u>\$9,000,000</u></b>	<b><u>\$9,000,000</u></b>	<b><u>\$9,000,000</u></b>
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\* Actual revenues generated by the fee increase would be depend upon the number of mortgage-related documents filed annually.

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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**COUNTY RECORDER OF DEEDS  
 FUND**

**Income** - To County Recorder of Deeds  
 Fund

From \$1 increase in recording fee.	<u>\$1,500,000 to Unknown</u>	<u>\$1,500,000 to Unknown</u>	<u>\$1,500,000 to Unknown</u>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT - RECORDER OF DEEDS FUND</b>	<b><u>\$1,500,000 to Unknown</u></b>	<b><u>\$1,500,000 to Unknown</u></b>	<b><u>\$1,500,000 to Unknown</u></b>
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FISCAL IMPACT - Small Business

Small businesses in the real estate industry would be expected to pay an increase in filing fees when recording mortgage-related documents.

### FISCAL DESCRIPTION

This bill increases from \$3 to \$10 the fee charged for certain recorded documents pertaining to real property by the County Recorder of Deeds. Nine dollars of the fee is designated for the Missouri Housing Trust Fund, and \$1 is designated for the County Recorder for use at his or her discretion.

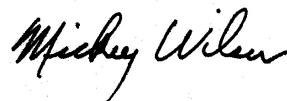
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Economic Development  
Missouri Housing Development Commission  
St. Louis County Recorder of Deeds

### NOT RESPONDING

Boone County Recorder of Deeds  
Callaway County Recorder of Deeds  
St. Louis City Recorder of Deeds  
Greene County Recorder of Deeds  
Jackson County Recorder of Deeds



Mickey Wilson, CPA  
Director  
April 8, 2008