

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4976-10
Bill No.: SCS for HCS for HB 2058
Subject: Liens, Motor Vehicles, Business and Commerce
Type: Original
Date: May 11, 2010

Bill Summary: Would modify certain provisions relating to mechanic's liens against residential real property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General** assume that any additional costs arising from this proposal could be assumed with existing resources.

Officials from the **Office of State Courts Administrator** and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

Officials from **Cass County** assumed a previous version of this proposal would have no fiscal impact on their organizations.

Officials from **St. Louis County** assumed a previous version of this proposal would modify certain provisions relating to mechanic's liens against residential property. County officials stated that currently, the Recorder's office only receives a notice of intent to file a mechanic's lien when there are unpaid contractors, suppliers, subcontractors, or workers. The proposal would require any entity which wants to retain the ability to file a mechanic's lien to file and record a notice of that intent. Accordingly, the proposal would lead to a significant increase in filing.

The Recorder's office provided an estimate of \$24,000 in additional revenue for FY 2011 and \$96,000 per year in additional revenue for FY 2012 and FY 2013, based on new construction permits filed.

Oversight did not receive any other responses to our request for information. Oversight notes that the proposed requirement would be limited to new construction, and will indicate unknown additional revenue to local governments for recording fees.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
LOCAL GOVERNMENTS			
<u>Additional Revenue</u> - recording fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses involved in new residential construction.

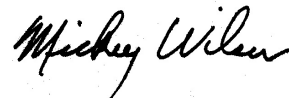
FISCAL DESCRIPTION

The proposal would modify certain provisions relating to mechanic's liens against residential real property.

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 Courts Administrator
Office of the Attorney General
Department of Revenue
Cass County
St. Louis County



Mickey Wilson, CPA
Director
May 11, 2010