

Fiscal Estimate Narratives

DOR 5/12/2003

LRB Number	03-1590/1	Introduction Number	AB-307	Estimate Type	Original
Subject					
Increase certain register of deeds fees for recording documents					

Assumptions Used in Arriving at Fiscal Estimate

County registers of deeds are required to collect fees for the recording of any instrument entitled to be recorded in their offices. The fee is set by state statute. Part of the first page fee is shared with the state to fund land records modernization programs. Fees for subsequent pages are retained by the county. Under current law, the fee is \$11 for the first page and \$2 for each subsequent page. Under the bill, the fee would be \$11 for the first page and \$3 for each subsequent page.

Registers of deeds also collect fees for other purposes, such as filing of plats, copies of vital records (birth certificates, death certificates, marriage certificates), and issuing copies of filed instruments. Based on a survey of selected register of deeds offices, it is estimated that between 70% and 80% of total fee collections are for filing of instruments. Data from county financial report forms filed with the Department of Revenue for 1998 to 2001 show the average statewide total fees collected by registers of deeds is about \$22 million per year. Assuming that 75% of these fees are for filing instruments, filing fees total to about \$16.5 million per year.

Based on a survey of selected register of deeds offices, the average length of instruments filed in 2002 was about 4 pages. Based on current fees, the average recording fee was \$17 (\$11 plus \$2 X 3). Under the bill, the average recording fee would increase by \$3, or 18%, to \$20 (\$11 plus \$3 X 3). The bill would therefore increase county revenues by about \$3.0 million (\$16.5 million X 18%) per year.

The above estimate is based on average filings for the period from 1998 to 2001. The number of instruments filed with registers of deeds varies from year-to-year, especially as regards the level of mortgage refinancing and real estate transactions. The actual effect on an individual year's revenue could therefore be much higher or lower than noted.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Increase certain register of deeds fees for recording documents			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$None	\$None
NET CHANGE IN REVENUE		\$None	\$3,000,000
Agency/Prepared By		Authorized Signature	Date
DOR/ Daniel Huegel (608) 266-5705		Dennis Collier (608) 266-5773	5/12/2003