

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1979-02
Bill No.: HCS for HB 957
Subject: Property, Real and Personal; County Government; County Officials; Revenue,
 Department of
Type: Original
Date: April 4, 2017

Bill Summary: This proposal changes the laws regarding the Statutory County Recorder's Fund

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	Greater than \$3,333,333	Greater than \$4,000,000	Greater than \$4,000,000

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume no fiscal impact from this proposal.

Officials at the **Callaway County Commission** and the **St. Charles County Recorder of Deeds** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at **St. Louis County** and the **Cole County Recorder of Deeds** each assumed no fiscal impact to their respective entities from this proposal.

Using information from the DOR's Fees Administered Report fiscal year ending June 30, 2016, **Oversight** assumes the following information:

	Current Fees Administered (at \$2 per document)	Number of Recorded Documents	Proposed \$1 increase in fees would generate:
FY16	\$8,597,142	4,298,571	\$4,298,571
FY15	\$8,314,148	4,157,074	\$4,157,074
FY14	\$8,607,793	4,303,897	\$4,303,897
FY13	\$10,024,229	5,012,115	\$5,012,115
FY12	\$9,007,133	4,503,567	\$4,503,567

A \$1 increase from this proposal would result in additional revenues of greater than \$4,000,000 each year. The Statutory County Recorder's Fund consist solely of local recorder proceeds and disbursements. The annual fund activity reports from the Office of the State Treasurer has shown no activity in this fund over the past two years and there is no balance in the fund. Therefore, **Oversight** will reflect a fiscal impact greater than \$4,000,000 to the counties for this proposal. Oversight will reflect 10 months of impact in FY 2018.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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COUNTIES

<u>Income</u> - Increase from \$5 to \$6 for fees collected by county recorder of deeds on each instrument recorded	Greater than <u>\$3,333,333</u>	Greater than <u>\$4,000,000</u>	Greater than <u>\$4,000,000</u>
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ESTIMATED NET EFFECT TO COUNTIES	Greater than <u>\$3,333,333</u>	Greater than <u>\$4,000,000</u>	Greater than <u>\$4,000,000</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

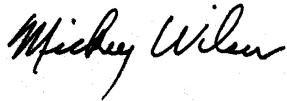
This bill increases from \$5 to \$6 a fee that is charged and collected by the county recorder on each instrument recorded. The extra \$1 will increase from \$2 to \$3 the part of the fee that is distributed to the statutory county recorder's fund. The bill also provides a method by which distributions from the fund will be allocated among counties if collections fall below distributions.

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

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SOURCES OF INFORMATION

Department of Revenue
St. Louis County
Cole County Recorder of Deeds
Callaway County Commission
St. Charles County Recorder of Deeds



Mickey Wilson, CPA
Director
April 4, 2017

Ross Strobe
Assistant Director
April 4, 2017