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FISCAL ANALYSIS

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HOUSE BILL 6490 AS INTRODUCED

Sponsor: Rep. Nancy Cassis

House Committee: Local Government and Urban Policy

COMMITTEE ANALYSIS - 11/12/02

Analyst(s): Bob Schneider

SUMMARY

Under current law, county registers of deeds collect a \$2 fee on any recorded instrument and remit fee revenues to the State Survey and Remonumentation Fund (except for up to 1½% of the fee which may be retained by the county for administrative costs). The fund is used then used to reimburse counties for remonumentation efforts required under statute.

The bill would amend current law to increase this fee from \$2 to \$4 per recorded instrument and to exempt from the fee any instrument recorded by a foreclosing governmental unit when recording a judgment or notice of judgment under section 78k of the General Property Tax Act.

The fee has generated revenue of between \$5.0 million and \$5.5 million annually from FY 1999 through FY 2001. Revenue increased during FY 2002 to around \$6.7 million, primarily due to a significant increase in mortgage refinancing. HFA estimates that the fund's balance at the close of FY 2002 will be around \$7.0 million. The fee increase should generate an additional 5.5 million - \$6.0 million annually for the state. Since local units will continue to have the authority to retain 1 ½% of the fee for administration, local revenue would also increase. The exemption of recordings related to foreclosures is expected to have a negligible impact on these revenues.