

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 2864-01  
Bill No.: SB 915  
Subject: Housing: Fees, Recorder of Deeds  
Type: Original  
Date: January 21, 2004

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$82,939)	(\$87,475)	(\$89,692)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$82,939)</b>	<b>(\$87,475)</b>	<b>(\$89,692)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Mo. Housing Trust	\$2,458,333	\$2,950,000	\$2,950,000
Lifetime Home Trust	\$1,608,693	\$1,929,526	\$1,928,598
<b>Total Estimated Net Effect on All State Funds</b>	<b>\$4,067,026</b>	<b>\$4,879,526</b>	<b>\$4,878,598</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$819,444</b>	<b>\$983,333</b>	<b>\$983,333</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Office of State Treasurer** assume no fiscal impact.

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Department of Economic Development - Housing Trust Commission** assume the Mo. Housing Development Commission would be able to administer the additional revenues coming into the Housing Trust Fund with existing staff. Officials estimate that they would require additional staff to administer the Lifetime Home Fund Program. Officials stated they would need (1) Housing Development Officer; and (1) Auditor Inspector who would be responsible for administration of the program and the Auditor Inspector would be responsible for ensuring the housing built meets the accessibility guidelines in the legislation. The costs for the Housing Development Officer would be prorated between the new \$1 fee, and the State's General Revenue Fund because the Commission is limited to using only 2% of the fees for administration.

Officials estimate the **costs to the Lifetime Home Fund Program** for 0.71% of the Housing Development Officer's salary would be in FY 05 for 10 months \$21,354, with Fringe Benefits of \$8,841: in FY 06 salary would be \$26,266 with Fringe Benefits of \$10,874: and in FY 07 salary

DESCRIPTION continued

would be \$26,922 with Fringe Benefits of \$11,146. Housing officials estimate **annual income to the Lifetime Home Fund at \$1,966,666** from the recording fee provided for in this proposal.

Officials estimate **costs to the State's General Revenue Fund** for (0.29 %) of the Housing Development Officer's salary for 10 months of FY 05 at \$8,542 and salary for (1) Auditor/Inspector at \$38,438 and Fringe Benefits totaling for both of \$19,449. Equipment and Expense is estimated at \$16,511; costs in FY 06 for both salaries is estimated to be \$57,784 with Fringe Benefits of \$23,923, and equipment/expense estimated to be \$5,768; and in FY 07 salaries would be \$59,229, Fringe Benefits would be \$24,521, and equipment/expense would be \$5,942.

Housing officials estimate **income to the County Recorder's Fund**, from the additional fee allowed, of \$0.50 per filing, would generate, statewide, an estimated annual income of \$983,333.

Officials of the **Department of Revenue** assume no fiscal impact.

Officials of the **Office of Administration - Division of Budget and Planning** stated that the fee increases would have an estimated effect on the following State Funds. Officials stated that according to the Department of Revenue \$5.96 million was collected pursuant to 59.330.2 RSMo in fiscal year 2003. **Officials assume that in future fiscal years the number of recordable instruments that generate these fees would be substantially the same as in fiscal year 2003.** In its first full year, (fiscal year 2006), this proposal will generate an additional \$2.98 million for the Missouri Housing Trust Fund, and an estimated \$1.99 million for the Lifetime Home Fund. Assuming this legislation goes into effect August 28, 2004, this will generate an estimated \$2.48 million for the Missouri Housing Trust Fund, and an estimated \$1.66 million for the Lifetime Home Fund in fiscal year 2005.

The **Greene County Recorder of Deeds** stated that the additional revenues generated would be an additional \$184,504.

The **Callaway County Recorder of Deeds** stated that their office recorded 14,000 documents in 2003. The increases in this proposal would generate an additional \$28,000 in recording revenue..

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
 <b>GENERAL REVENUE FUND</b>			
<b><u>Cost</u> - to General Revenue Fund</b>			
Personal Services (1.29 FTE)	(\$46,979)	(\$57,784)	(\$59,229)
Fringe Benefits	(\$19,449)	(\$23,923)	(\$24,521)
Equipment	(\$11,844)	\$0	\$0
Expense	<u>(\$4,667)</u>	<u>(\$5,768)</u>	<u>(\$5,942)</u>
<b>Total Cost</b>	(\$82,939)	(\$87,475)	(\$89,692)
 <b>ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND</b>	 <b><u>(\$82,939)</u></b>	 <b><u>(\$87,475)</u></b>	 <b><u>(\$89,692)</u></b>
 <b>MISSOURI HOUSING TRUST FUND</b>			
<b><u>Income</u> - to Mo. Housing Trust Fund</b>			
from recording fee increase	<u>\$2,458,333</u>	<u>\$2,950,000</u>	<u>\$2,950,000</u>
 <b>ESTIMATED NET EFFECT TO MO. HOUSING TRUST FUND</b>	 <b><u>\$2,458,333</u></b>	 <b><u>\$2,950,000</u></b>	 <b><u>\$2,950,000</u></b>
 <b>LIFETIME HOME FUND</b>			
<b><u>Income</u> - to Lifetime Home Fund</b>			
from \$1 recording fee.	\$1,638,888	\$1,966,666	\$1,966,666
<b><u>Costs</u> - to Lifetime Home Fund</b>			
Personal Service (0.71) FTE	(\$21,354)	(\$26,266)	(\$26,922)
Fringe Benefits	(\$8,841)	(\$10,874)	(\$11,146)
Equipment	\$0	\$0	\$0
Expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Costs</b>	(\$30,195)	(\$37,140)	(\$38,068)

<b>ESTIMATED NET EFFECT TO LIFETIME HOME FUND</b>	<b><u>\$1,608,693</u></b>	<b><u>\$1,929,526</u></b>	<b><u>\$1,928,598</u></b>
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b><u>\$4,067,026</u></b>	<b><u>\$4,879,526</u></b>	<b><u>\$4,878,598</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>RECORDER'S FUND</b>			
<b><u>Income</u></b> - to Recorder's Fund from \$0.50 filing fee	<b><u>\$819,444</u></b>	<b><u>\$983,333</u></b>	<b><u>\$983,333</u></b>
<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<b><u>\$819,444</u></b>	<b><u>\$983,333</u></b>	<b><u>\$983,333</u></b>

FISCAL IMPACT - Small Business

Small businesses that would record real estate transactions with the County Recorders would be impacted to the extent that they would be expected to pay additional recording fees.

DESCRIPTION

This act raises the recording fee on certain real estate instruments from \$3 to \$5. From this additional \$2 fee, \$1.50 will be placed in the Missouri Housing Trust Fund and the remaining 50 cents shall be deposited in the recorder's fund. Under this act, an additional \$1 fee will be charged on real estate instruments. These fees will be deposited in a newly created fund known as the Lifetime Home Fund.

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 Treasurer  
Office of Administration - Budget and Planning  
Department of Economic Development - Housing Commission  
Department of Revenue  
Department of Natural Resources  
Greene County Recorder of Deeds  
Callaway County Recorder of Deeds

NOT RESPONDING

Boone County Recorder  
St. Charles County Recorder  
Marion County Recorder  
St. Louis County Recorder



Mickey Wilson, CPA  
Director  
January 21, 2004