

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2453-01  
BILL NO.: SB 650  
SUBJECT: Counties: Housing  
TYPE: Original  
DATE: January 24, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Missouri Housing Trust	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<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>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

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**FISCAL ANALYSIS**

ASSUMPTION

Officials of the **Missouri Housing Development Commission** stated they would be able to administer any additional funds and programmatic changes within existing staffing levels and would expect no fiscal impact to their Commission.

Officials stated that this legislation would increase the recording fee on all instruments from \$3 to \$5 per instrument, and would increase the total amount of funds going into the Missouri Housing Trust Fund.

If a county would elect to establish a homeless program the county would keep \$3 of the \$5 fee with the remaining \$2 being deposited in the Missouri Housing Trust Fund. In counties that do not establish a program for the homeless all revenues generated from the \$5 fee for that county would be deposited in the Missouri Housing Trust Fund. In FY 1999 there were approximately 1,643,201 real-estate documents recorded. Officials stated that all of the funds would be expended to assist the homeless and low-income families with their housing needs, therefore, net fiscal impact would be zero.

**Jefferson County Recorder of Deeds** assumes no fiscal impact to their office.

**Boone County Recorder of Deeds** stated that under provisions of SB 650, it would transfer the authority from voters to the governing body of the county to establish a homeless assistance program on a county by county basis.

The Recorder's office currently collects a three-dollar fee (RSMo 59.319) on only recording in the real estate records that is submitted to the Missouri Housing Trust. The provisions of this bill provide an additional five/or three dollar fee on all recorded documents. This creates two separate and distinct calculations on fees to be forwarded to the Missouri Housing Trust. Additionally, if the county adopted the assistance program, another distribution would be required.

There is a multitude of operating programs across this state and no way of estimating the number of programming hours needed to make the changes. Ultimately, the real impact is on the Recorder's office to collect, report and distribute fees using county resources without any reimbursement.

Boone County annually collects over \$100,000 under the current statute for Missouri Housing Trust.

**Greene County Recorder of Deeds** stated that there were 69,363 real-estate documents filed in

ASSUMPTION (continued)

1998, which generated approximately \$208,089.

**Oversight** assumes counties authorizing the recording fee, will receive an unknown amount of revenue dependent on the number of counties that would establish a homeless program, and the number of recordings in those counties. If all counties authorize the fee and choose not to establish their own homeless program, the total increase to the Missouri Housing Trust Fund could be several million dollars. However, a much smaller, yet unknown, amount is more likely.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>Missouri Housing Trust Fund</b>			
<u>Income to Missouri Housing Trust Fund</u> from Recorder of Deeds fees	Unknown	Unknown	Unknown
<b>ESTIMATED NET EFFECT TO MISSOURI HOUSING TRUST FUND*</b>	<b><u>UNKNOWN</u></b>	<b><u>UNKNOWN</u></b>	<b><u>UNKNOWN</u></b>

\*Oversight expects income to exceed \$100,000 annually.

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>Income to Recorder of Deeds</u> from \$5 fee	Unknown	Unknown	Unknown
<u>Costs to Recorder of Deeds</u> for transfer of fees	(Unknown)	(Unknown)	(Unknown)
<u>Costs to County Homeless</u> Assistance Programs	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

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DESCRIPTION

Under this act, the fee imposed on recorded instruments to assist the homeless is increased from \$3 to \$5. This act also allows any county governing body to establish a program to provide assistance to homeless persons. Under current law, only St. Louis County, St. Charles County, and Jackson County are authorized to establish a fund for the purpose of assisting homeless families. If the governing body of the county chooses to establish a program to assist homeless persons, then \$3 of the \$5 fee charged will be used by that county to finance the homeless program. The remaining \$2 will be credited to the Missouri Housing Trust Fund. If the governing body of the county does not establish a program to assist the homeless, then the entire \$5 will be credited to the Missouri Housing Trust 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

Department of Economic Development - Missouri Housing Development Commission  
Jefferson County Recorder of Deeds



Jeanne Jarrett, CPA  
Director  
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