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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/26/09

SPONSOR Morales LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE County Recording Fees & Disposition SB 658

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 658 would restructure county recording fees and provide for the disposition of fees collected. The bill would replace a long list of fees specified for county clerk recording with a single \$25.00 fee applicable to recording transactions performed by the county clerk. If a document being recorded assigns, releases or transfers the interest of more than five persons, an additional \$25.00 fee is imposed for each additional block of ten or fewer assignments, releases or transfers in the document.

Of the \$25.00 fee, \$18.00 is allocated to the county general fund and \$7.00 to the county equipment recording and filing fund.

Senate Bill 658 would also facilitate the electronic recording of plats using appropriate technology and affords an electronic copy of the plat to the county assessor when the county clerk has the appropriate technology.

### FISCAL IMPLICATIONS

Senate Bill 658 has no fiscal implications for the State of New Mexico, but could provide savings and efficiency improvements for County Clerks and taxpayers.

**SIGNIFICANT ISSUES**

The DFA states that:

Senate Bill 658 amends and repeals sections of the NMSA 1978 that has language first inserted in 1865 under the Kerney pre-territorial code. Recording fees as they have been charged have started with a \$5.00 recording fee for the first page and \$2.00 for each additional page or portion thereof

Senate Bill 658 adopts a flat fee of \$25.00 to cover the first five interests discussed in a document, then an additional \$25.00 beginning with the sixth interest. An example of an interest is a business property that a person owns and wants to sell, transfer or expand. If a person has five businesses that require the county clerk's recording duties then that person has five interests. The first \$25.00 will usually cover 95% of what is filed in a county clerk's office. The existing recording system is also cumbersome in that a tedious process of confirmation of correct fees is required and the filings can be rejected if the filings don't have the correct fee.

In Bernalillo County as an example, over half of all filings were done by mail in 2008. When the fees for the filings done by mail are off by even \$2.00 the entire package has to be sent back in order to resend the filings with the correct fee. This can create frustrating delays for taxpayers and the county clerk's office. The over all affect of Senate Bill 658 will be business to business in nature.

GH/mc