

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Sub. H.B. 206 DATE: December 2, 1998

STATUS: As Recommended by Senate Civil Justice Subcommittee SPONSOR: Rep. Mason

LOCAL IMPACT STATEMENT REQUIRED: No — No local cost

CONTENTS: Adds requirements to forms filed with county recorders and creates the Ohio Recordable Instruments Advisory Committee

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential \$2,350 or more increase	Potential \$4,700 or more increase; after 2002 costs could be minimal

- Potential \$2,350 expenditure increase in FY99 and \$4,700 annual increase thereafter to pay travel costs for the Ohio Recordable Instrument Advisory Committee (ORIAC) members. The section of the bill creating the ORIAC is repealed December 31, 2002, meaning that without further legislative action the costs associated with the ORIAC would be eliminated.
- The Secretary of State could have minimal costs to adopt and publish rules for recordable instruments.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
Counties			
Revenues	- 0 -	Potential gain	Potential gain
Expenditures	- 0 -	- 0 -	- 0 -

- Potential revenue gain to counties due to penalties imposed under the bill.

Detailed Fiscal Analysis

Bill provisions

The bill creates the Ohio Recordable Instrument Advisory Committee (ORIAC), which is authorized to advise the Secretary of State (SOS) on requirements for recordable instruments. The ORIC members are not compensated, but must be reimbursed for travel expenses incurred. The ORIAC must meet 15 days after the bill becomes effective.

The bill permits the SOS, in consultation with the ORIAC, to prescribe the forms and formats for persons filing recordable instruments. The SOS of state is permitted to include rules that require recordable instruments to be in such a form that they can be automatically indexed and recorded.

The bill further requires a county recorder to charge an additional \$10 fee for instruments that do not meet the requirements established by the SOS if the county has equipment that can automatically record instruments and the county has adopted a resolution requiring instruments conform to the SOS's standards or if specific exception has been made by the county to the SOS's standards. Any exceptions must be posted within the county recorders' office.

State fiscal effects

Assuming 17 members are on the ORIAC and that it meets three times in FY99, the cost of reimbursing the ORIC members could be about \$2,350 that year or about \$46 per member per month. Assuming the ORIAC met six times per year thereafter, the cost of reimbursing the ORIAC members could be about \$4,700 per year. However, the actual cost could be less than \$4,700 because seven or more members would likely live in Central Ohio and could have lower than average travel costs. Cost would also increase or decrease if the ORIC met more or less than six times per year. The section of the bill creating the ORIAC is repealed December 31, 2001, meaning that without further legislative action the costs associated with the ORIAC would be eliminated.

The SOS could have minimal costs to adopt and publish rules for recordable instruments.

Local fiscal effects

Some additional revenues could be received by counties due to the \$10 fee charged for documents recorded that do not meet the requirements established by the SOS. The penalties collected should be higher in the first year and decrease over time, as people become aware of any new requirements.

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