



Ohio Legislative Service Commission

Tom Wert

Fiscal Note & Local Impact Statement

Bill: [H.B. 201 of the 130th G.A.](#)

Date: December 3, 2013

Status: As Introduced

Sponsor: Rep. Butler

Local Impact Statement Procedure Required: No

Contents: Revises requirements for entries of mortgage satisfaction and clarifies the priority of interests in real property

State and Local Fiscal Highlights

- A provision in the bill requires that a mortgagee record a release of mortgage evidencing the fact of its satisfaction in the appropriate county recorder's office. This potentially could lead to an increase in base fees retained by county recorders as well as Housing Trust Fund fees that are transferred to the state Low- and Moderate-Income Housing Trust Fund (Fund 6460).

Detailed Fiscal Analysis

The bill revises statutes regarding mortgages and entries of satisfaction involving mortgages for residential and commercial property. First, the bill establishes the priority of mortgage and lien interests in real property, providing that a mortgage granted to secure funds used to satisfy a previous mortgage retains the previous mortgage's position of priority to the extent of the amount satisfied. Secondly, the bill requires that a mortgagee record a release of a mortgage evidencing its satisfaction in the appropriate county recorder's office. Current law requires that the mortgagee record only the fact that the mortgage has been satisfied. As a consequence of this additional recordation requirement, the bill most likely will increase the volume of filings handled by county recorders. If so, this will increase the amount of recordation fees collected, including the portion remitted to the state for deposit into the Low- and Moderate-Income Housing Trust Fund (Fund 6460), commonly referred to as the Housing Trust Fund. County recorders charge a base fee of \$14 and a Housing Trust Fund fee of \$14 for the first two pages recorded, and a \$4 base fee and \$4 Housing Trust Fund fee for each additional page.

Additionally, the bill increases damages that can be recovered by a mortgagor in a civil action when the mortgagee fails to comply with the bill's requirement to record the release of the mortgage within 90 days of the mortgage's satisfaction. Under current law, the amount of allowable civil damages that a mortgagor is entitled to is capped at \$250. The bill increases the amount to \$50 for each day of noncompliance, plus reasonable attorneys' fees and costs. It is not entirely clear how this would affect civil caseloads handled by the courts; however, these amounts are in addition to other legal remedies and damages to which the mortgagor is entitled.

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