

OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **SB 350** SLS 14RS

Bill Text Version: ORIGINAL

Opp. Chamb. Action: Proposed Amd.:

Sub. Bill For .:

Date: April 28, 2014 6:18 AM

Author: MORRELL

Analyst: Richard Aultman

Dept./Agy.: Courts in Orleans Parish

Subject: Recordation Costs Exemption

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OR DECREASE LF RV See Note

Exempts state and its political subdivisions from paying recordation fees in Orleans Parish courts. (gov sig)

Purpose of Bill: This measure would exempt the state and its political subdivisions and officers from being required to pay recordation costs in Orleans Parish and the city of New Orleans.

EXPENDITURES	<u> 2014-15</u>	<u>2015-16</u>	<u> 2016-17</u>	<u> 2017-18</u>	<u> 2018-19</u>	5 -YEAR TOTAL
State Gen. Fd.	(\$1,270,000)	(\$1,270,000)	(\$1,270,000)	(\$1,270,000)	(\$1,270,000)	(\$6,350,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						
REVENUES	<u>2014-15</u>	<u>2015-16</u>	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

There may be a decrease in state general fund expenditures of approximately \$1,270,000 annually and an indeterminate decrease in local government expenditures as a result of this measure.

According to an official with the Orleans Clerk of Civil District Court's Office, on average the various departments of the State of Louisiana, such as the Department of Revenue and Office of Community Development Disaster Recovery Unit, record approximately 31,700 documents per year for an average annual expense of \$1,270,000. If these recordation fees are eliminated by this measure, it may result in a corresponding reduction in state general fund expenditures.

There are also several departments within the city of New Orleans that routinely record documents in the Land Records Division of the Clerk of Civil District Court's Office. However, these departments do not routinely pay the balance owed in full. If this measure eliminates the recordation fees, the city of New Orleans may have a corresponding reduction in its expenditures, based on the amount of recordings it currently pays for.

REVENUE EXPLANATION

There may be a decrease in local government revenues of at least \$1,270,000 annually as a result of this measure.

According to an official with the Orleans Parish Clerk of Civil District Court's Office, this measure may decrease local government revenues. There are several departments within the city of New Orleans that routinely record documents in the Land Records Division of the Clerk of Civil District Court's Office. On average, the city of New Orleans records over 3,000 documents with the Land Records Division per calendar year. As of March 10, 2014, the City owes approximately \$535,000 in recording fees to the Clerk's Office. These fees are owed by different departments within the city government that make payments on an irregular basis.

In addition, various state agencies record documents with these courts that would be exempt under this measure. On average the various departments of the State of Louisiana record approximately 31,700 documents per year for total revenues to the Civil District Court of \$1,270,000. If this measure exempts the state from paying these recordation fees, the Civil District Court may have a corresponding reduction in revenues.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>		Dation of the
13.5.1 >= \$	100,000 Annual Fiscal Cost {S&	&H}	$6.8(F)(2) >= $500,000 \text{ State Rev. Reduc. } \{H \& S\}$	- ALL STATE OF THE
	500,000 Annual Tax or Fee Change {S&H}		6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Joy Irwin Director of Advisory Services