

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2436                      **STATUS:** Original  
**SUBJECT:** Establishes county document recording fee  
**GOVERNMENT UNIT AFFECTED:** County government, Housing and Community Services Department and the Department of Revenue  
**PREPARED BY:** Michelle Deister  
**REVIEWED BY:** John Borden  
**DATE:** February 2, 2009

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	<u>2009-2011</u>	<u>2011-2013</u>
<b>EXPENDITURES:</b>		
Housing and Community Services - Administration - Other Funds	\$ 756,659	\$ 1,127,766
Housing and Community Services – Special Payments - Other Funds	\$ See Comments	\$ See Comments
Department of Revenue – General Fund	\$ 523,687	\$ 598,500
Department of Revenue – Other Funds	\$ 86,625	\$ 99,000

	<u>2009-2011</u>	<u>2011-2013</u>
<b>REVENUES:</b>		
<b>See Legislative Revenue Impact Statement</b>	\$ 16,975,650	\$ 27,886,527

<b>POSITIONS / FTE:</b>		
Housing and Community Services Positons/FTE	8/5.9	8/6.75

**EFFECTIVE DATE:** 91<sup>st</sup> Day after regular session adjournment Sine Die.

**GOVERNOR’S BUDGET:** This bill is not anticipated by the Governor’s recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**ANALYSIS:** This measure adds a new \$15 fee to the existing fees pertaining to deeds and mortgage records filed with county clerks, with some exclusions (e.g. mining claims), and creates a new statutory account within the Housing and Community Services Department (HCSD). Moneys collected from the fee are to be used by HCSD for housing related programs in the following manner:

- 76 percent of the moneys must be deposited into a new General Housing Account created by the bill, and established by amending ORS 458.620. Funds deposited into the account may be used to support the activities of HCSD. HCSD states the intention to use funds deposited into the General Housing Account to finance multi-family affordable rental housing, and to provide training, technical and financial assistance to community housing partners to address local affordable housing needs.
- 10 percent of the money must be deposited into the existing Emergency Housing Account established under ORS 458.620, and used for purposes including emergency shelter, transitional and supportive

housing services, and emergency assistance payments to homeless persons and those at risk of becoming homeless.

- 14 percent of the money must be deposited into the existing Home Ownership Assistance Account created under ORS 458.620 and used for purposes including construction of new or rehabilitation of existing housing for persons of low or very low income persons, down payment assistance and homeownership education.

The Legislative Revenue Offices estimates that this measure will generate \$17 million for the 2009-11 biennium and \$27.9 million for the 2011-13 biennium.

The \$15 fee would be collected by county government as part of the collection of other existing fees. The number of documents to which the fee would apply depends on the volume of deed and mortgage transactions. County government would have a fiscal impact to implement this measure. For a similar measure during the 2007 Legislative Session (HB 3551), county costs were estimated at \$0.75 to \$1.50 per document.

The revenue and resulting contract administration will result in staffing needs at HCSD, including contract management and coordination, general office and administrative support, fiscal management (including accounting, auditing, payment processing and procurement), program evaluation (including data collection, analysis, and outcome reporting), and asset management related to the development of multifamily rental housing. Administration costs are estimated to be 4% to 4.5 % of the total anticipated revenue and are estimated at \$756,659 Other Funds for the 2009-11 biennium (8 positions/5.9 FTE) and \$1.2 million Other Funds for the 2011-13 biennium (8 positions/6.75 FTE).

HCSD states the intention to use funds deposited into the General Housing Account to finance multi-family affordable rental housing, and to provide training, technical and financial assistance to community housing partners to address local affordable housing needs. After state and County administrative expenses were paid, the Department would expend the balance as Special Payments for these purposes.

The Department of Revenue (DOR) records liens on real and personal property as a method of tax collection, and reports a fiscal impact as a result of this bill. The Department records approximately 1,938 filings per month. DOR estimate of the fiscal impact is \$610,312 for the 2007-09 biennium and \$697,500 for 24-months of the 2009-11 biennium. Of these amounts, the General Fund would pay \$523,687 and \$598,500 respectively or approximately 85% of the Department's cost. The source of Other Funds is the senior and disabled citizen deferral account.

There is a minimal fiscal impact to state agencies that are required to pay document recording fees as part of their normal business operations (e.g., Department of Business and Consumer Services and Department of Transportation).