

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE
 Revised

Senate Bill 136 (Chairman, Judicial Proceedings Committee)
 (Maryland Judicial Conference)

Judicial Proceedings

Appropriations

Circuit Court Real Property Records Improvement Fund - Funding and Duration

This bill raises the maximum surcharge from \$5 to \$15 for each type of recordable instrument to be recorded among the land records and financing statement records. The bill also extends the associated sunset date from June 30, 2006 to June 30, 2010.

Fiscal Summary

State Effect: Revenues to the Circuit Court Real Property Records Improvement Fund could increase by an estimated \$12.6 million in FY 2004. Future years assume a steady rate of instruments recorded.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	\$12,561,000	\$12,561,000	\$12,561,000	\$12,561,000	\$12,561,000
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$12,561,000	\$12,561,000	\$12,561,000	\$12,561,000	\$12,561,000

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Potential meaningful. Small businesses that record instruments among the land records and financing statement records may be assessed a higher surcharge.

Analysis

Current Law: The State Court Administrator may establish a surcharge not to exceed \$5 for each type of recordable instrument to be recorded among the land records and the

financing statement records. The circuit court clerk's office in each county must collect the surcharge. Receipts from the surcharge must be placed in the Circuit Court Real Property Records Improvement Fund. These surcharge provisions sunset on June 30, 2006.

Background: The Circuit Court Real Property Records Improvement Fund is a special fund used to repair, replace, improve, modernize, and update office equipment and equipment-related services in the land records office of each circuit court clerk's office. The fund currently supports two major projects: PLATO, which makes plats available online, and ELROI, which makes land records available online. All circuit court clerks' offices now have PLATO, and 13 clerks' offices currently have ELROI.

State Revenues: The Administrative Office of the Courts advises that in fiscal 2002, there were 1,256,103 instruments recorded among the land records. Increasing the surcharge on these instruments from \$5 to \$15 (assuming that the maximum surcharge is set as the surcharge) would result in a revenue increase of \$12,561,030 annually to the Circuit Court Real Property Records Improvement Fund, assuming that the number of instruments remains constant. Rising interest rates could lead to fewer real estate transactions and a corresponding decrease in revenues.

Additional Information

Prior Introductions: HB 906 of 2002, which would have raised the maximum surcharge from \$5 to \$10, received an unfavorable report from the House Appropriations Committee. SB 511 of 2002, the cross file to HB 906, passed the Senate but received an unfavorable report from the House Appropriations Committee.

Cross File: HB 92 (Chairman, Appropriations Committee) – Appropriations.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2003
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