

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 180 (Chairman, Environmental Matters Committee)
(By Request – Departmental – Assessments and Taxation)

Environmental Matters Judicial Proceedings

Real Property - Recordation of Deeds and Instruments of Writing

This departmental bill streamlines the deed recordation process by repealing the requirement that all deeds be presented at the local assessment office prior to recordation.

The bill takes effect July 1, 2005.

Fiscal Summary

State Effect: Potential minimal decrease in general fund expenditures due to the streamlined deed recordation process.

Local Effect: None.

Small Business Effect: The State Department of Assessments and Taxation (SDAT) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: Eleven counties have a three-step deed recordation process which requires all deeds to be presented to the local assessment office prior to being recorded in land records. These counties include: Allegany, Anne Arundel, Calvert, Caroline, Frederick, Garrett, Kent, Prince George's, Queen Anne's, Somerset, and Wicomico.

Counties that have a two-step deed recordation process, which does not require deeds to be presented to the local assessment office, already require an intake sheet with all deeds.

State Fiscal Effect: The bill eliminates the requirement that all deeds be presented to the local assessment office prior to recordation in 11 counties. As a result, needless customer traffic would be eliminated in local assessment offices. The deed recordation process would be streamlined since current law causes significant inconvenience to persons recording deeds. Any cost savings for SDAT due to increased productivity cannot be reliably estimated, but are assumed to be minimal.

Exhibit 1 shows the number of deed transfers that occurred in counties with the three-step deed process in fiscal 2003.

Exhibit 1
Number of Deed Transfers in Counties with Three-step Deed Process

<u>County</u>	<u>Number of Deed Transfers</u>
Allegany	3,056
Anne Arundel	19,440
Calvert	4,357
Caroline	1,549
Frederick	10,190
Garrett	2,731
Kent	1,294
Prince George's	26,978
Queen Anne's	2,996
Somerset	1,483
Wicomico	<u>4,337</u>
Total	78,411

Of the deeds listed above, just over 2,000 have use value assessments and would have required a visit to the local assessment office. As a result, over 76,000 deeds could have been recorded without a visit to the assessment office in fiscal 2003.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510