

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 640

(Chairman, Appropriations Committee)
(By Request – Maryland Judicial Conference)

Appropriations

Judicial Proceedings

Circuit Court Real Property Records Improvement Fund - Duration

This bill extends the termination date for the Circuit Court Real Property Records Improvement Fund from June 30, 2006 to June 30, 2009.

Fiscal Summary

State Effect: Special fund revenues and expenditures for the Circuit Court Real Property Records Improvement Fund would be maintained beyond FY 2006. The Governor's proposed FY 2006 budget assumes special fund revenues of \$31.2 million and expenditures of \$26.1 million.

Local Effect: Efficiency savings for local land records offices.

Small Business Effect: Potential meaningful.

Analysis

Current Law: The State Court Administrator may establish a surcharge not to exceed \$20 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. Provisions establishing the surcharge terminate on June 30, 2006.

Background: The Circuit Court Real Property Records Improvement Fund is a nonlapsing revolving fund managed and supervised by the State Court Administrator, with advice from a five-member oversight committee. The fund consists of surcharges assessed on instruments recorded in the land records and the financing statement records, and revenues from copies made on equipment bought through the fund. The fund must be used to repair, replace, improve, modernize, and update office equipment and equipment-related services in the land records office of the clerk of the circuit court for each county.

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 Fiscal Effect: In fiscal 2004, the fund received \$33.2 million in special fund revenues. The fiscal 2005 budget assumes \$33.2 million in special fund revenues and the proposed fiscal 2006 budget assumes \$31.2 million in special fund revenues.

The Administrative Office of the Courts (AOC) advises that circuit court clerk's office budgets were reduced by \$5 million in 2003 with the funding replaced by the funds from the Property Records Improvement Fund. If the fund sunsets, AOC's budget would have to be increased to fund necessary upgrade and expenditure costs for land records offices that are currently funded by the Property Records Improvement Fund.

Local Fiscal Effect: An extension of the fund would allow continued improvements to be made in the 24 land records offices.

Small Business Effect: Improvements in land records offices benefit the title and real estate industries. Small businesses that provide goods and services in connection with expenditures of the fund would also benefit from an extension of the fund.

Additional Information

Prior Introductions: SB 716 of 1991 created the fund. HB 773 of 1995 extended the original termination date to June 30, 2001. SB 214 of 2000 extended the June 30, 2001 sunset to June 30, 2006.

Cross File: SB 348 Chairman, Judicial Proceedings Committee) (By Request – Maryland Judicial Conference) – Judicial Proceedings.

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

Fiscal Note History: First Reader - February 14, 2005
mam/jr Revised - House Third Reader - March 24, 2005

Analysis by: Kineta A. Rotan

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