



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 486

PRINTERS NO. 2065

PRIME SPONSOR: Argall

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
County Funds	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Amends Act 87 of 1982 to authorize a special deed and mortgage recording fee in second class A through eighth class counties, and to establish county demolition funds. This legislation would take effect in 60 days.

ANALYSIS: This legislation creates a new Section 2.2 which authorizes the creation of a county demolition fund in second class A through eighth class counties, including home rule counties, in which the governing body adopts a resolution or ordinance that authorizes the recorder of deeds to charge and collect a maximum fee of \$15 for each deed and mortgage recorded. The fee must be deposited in the county demolition fund and used exclusively for the demolition of blighted property in the county.

Within 90 days of imposing the fee, a county that creates a demolition fund must file an initial report with the Department of Community and Economic Development (DCED) which includes plans on how the fund resources are going to be spent. The county must follow up with an annual report within 12 months of imposing the fee, detailing how many properties were demolished and the cost of demolition per property. DCED shall post the reports on its publicly accessible website.

The legislation also provides that Section 2.2 shall expire 10 years from the effective date of this legislation.

FISCAL IMPACT: This legislation authorizes, but does not require, the imposition of a fee not to exceed \$15 for each deed and mortgage recorded by a recorder of deeds. To the extent that a county opts to impose the fee, money will be deposited into a newly established demolition fund for the demolition of blighted property located in the county.

Information reported by the Department of Revenue shows that in calendar year 2013, 353,562 deeds were recorded and 577,438 mortgages were recorded in counties throughout the Commonwealth. Therefore, if the maximum \$15 fee allowed had been imposed on these 931,000 transactions, counties would have generated nearly \$14 million in 2013 to be used for demolition of blighted properties across the state.

This legislation would have no adverse fiscal impact on Commonwealth funds.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: October 25, 2016

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.