

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE, 2016 LEGISLATIVE SESSION

FISCAL NOTE 2016-HB1005A (HOUSE LOCAL GOVERNMENT ENGROSSED VERSION)
WITH PENDING AMENDMENT 1005JA

HB 1005 revise and repeal certain fees that are established to compensate counties for services provided by county officials.

HB1005 is an Act to revise and repeal certain fees that are established to compensate counties for services provided by county officials.

The Legislative Research Council (LRC) has determined that the House Local Government (HLG) Engrossed version of HB1005, will have a net positive impact on county general funds and county law library funds. LRC has further determined that the pending amendment 1005ja will have an additional positive impact on county general funds, negative impact on the State Motor Vehicle Fund, and a negative impact on the State General Fund.

Fiscal Impacts – Section-by-Section

Section 1. Repeal Register of Deeds .50 cent fee for recording each official bond. Based on testimony given to the 2015 County Government Interim Study Committee, this fee is obsolete and **will have no fiscal impact on county general funds.**

Section 2. Repeal County Auditor .25 cent fee for certifying any instrument and repeal a .10 cent fee for administering an oath. Based on testimony given to the 2015 County Government Interim Study Committee, this fee is obsolete and **will have no fiscal impact on county general funds.**

Section 3. Repeal three dollar daily fee paid to members of Boards of Auditors. Based on testimony given to the 2015 County Government Interim Study Committee, this fee is obsolete and **will have no fiscal impact on county general funds.**

Section 4. Increase the fee for certificates of title on motor vehicles, trailers, or semitrailers. Currently, the fee for each application of certificate of title is five dollars and is deposited in the State Motor Vehicle Fund. HB1005 proposes to increase the fee to ten dollars and would require the additional revenue be deposited in the county general fund. Based on FY2015 data reported by the Department of Revenue, deposits to the State Motor Vehicle Fund for title fees on all motor vehicle title transactions totaled \$1,831,149. **The increase to county general funds is estimated to be approximately \$1,831,149.**

However, pending amendment 1005ja changes the 50/50 split between the county and state to 100% deposit to the county. **The fiscal impact of the pending amendment is estimated to be an additional positive impact of \$1,831,149 to county general funds above and beyond the impact**

of the HLG engrossed bill, and a corresponding negative impact of \$1,831,149 to the State Motor Vehicle Fund.

Section 5. Increase the fee for lien notations on motor vehicles. Currently the fee for each notation of liens on a motor vehicle certificate of title is five dollars and is deposited in the State Motor Vehicle Fund. HB1005 proposes to increase the fee to ten dollars and would require the additional revenue be deposited in the county general funds. Based on FY2015 data reported by the Department of Revenue, deposits to the State Motor Vehicle Fund for lien notations on motor vehicle titles totaled \$645,800. **The increase to county general funds is estimated to be approximately \$645,800.**

Section 6. Increase the county watercraft administrative fee. Currently, the county watercraft administrative fee is one dollar and is deposited in the county general funds. HB1005 proposes to increase the fee to three dollars. Based on FY2015 data reported by the Department of Revenue, deposits for county watercraft administrative fees totaled \$62,282. **The increase to county general funds is estimated to be approximately \$124,564.**

Section 7. Increase title fee for boat transactions. Currently, the fee for boat title transactions is five dollars. HB1005 proposes to increase the fee to ten dollars and would require the additional revenue be deposited in the county general fund. Based on FY2015 data reported by the Department of Revenue, deposits to the State Motor Vehicle Fund for boat title transactions totaled \$48,115. **The increase to county general funds is estimated to be approximately \$48,115.**

However, pending amendment 1005ja changes the 50/50 split between the county and state to 100% deposit to the county general fund. **The fiscal impact of the pending amendment is estimated to be an additional positive impact of \$48,115 to county general funds above and beyond the impact of the HLG engrossed bill, and a corresponding negative impact of \$48,115 to the State General Fund.**

Section 8. Increase the fee for lien notations on boats. Currently, the fee for each notation of liens on a boat certificate of title is five dollars and is deposited in the county general fund. HB1005 proposes to increase the fee to ten dollars. Based on FY2015 data reported by the Department of Revenue, deposits to the county general funds for lien notations on boats totaled \$9,935. **The increase to county general funds is estimated to be approximately \$9,935.**

Section 9. Increase the county commercial administrative fee. Currently, the fee for discontinuation of commercial motor vehicle licenses is five dollars and is deposited in the county general funds. HB1005 proposes to increase the fee to ten dollars. Based on FY2015 data reported by the Department of Revenue, deposits to county general funds for commercial administrative fees totaled \$6,895. **The increase to county general funds is estimated to be approximately \$6,895.**

Section 10. Prisoner transport costs. Currently, the fee for transporting a prisoner to court for the purpose of pleading guilty to a charge that does not result in a state penitentiary sentence is actual expenses plus four dollars per day. HB1005 proposes to eliminate the four dollar per day fee. **The**

negative fiscal impact to county general funds is not able to be calculated as no data is available for this fee.

Section 11. This section includes numerous increases for fees that can be charged for the services of a sheriff contained in SDCL 7-12-18. LRC relied on data from the 2015 Sheriff Management Study which is a statistical compilation conducted by the South Dakota Attorney General's Office, Division of Criminal Investigation as well as a survey conducted in the last week by the South Dakota Sheriff's Association. Not all of the 67 counties responded to either survey, therefore LRC assumed the population not represented in the data would have comparable statistics to those that were represented and extrapolated the data as appropriate.

7-12-18 (1) No change in HB1005

7-12-18 (2) Increase fee for serving summons, complaints, warrants of attachment, and affidavits from twenty-five dollars to fifty dollars. If instruments served on another person at the same time and location, the fee would increase from five to ten dollars. (estimate included with subdivision (3) below)

7-12-18 (3) Increase fee for serving subpoenas from ten dollars to twenty dollars.

Data available from the 2015 Sheriff Management Study combines subdivisions (2) and (3). In FY14, \$938,118 was collected for fees associated with subdivisions (2) and (3). This amount includes collections from 40 counties representing 83% of the population. It is assumed that all counties would have comparable collections based on population. It is estimated, then, that the total fees collected for (2) and (3) by all counties was approximately \$1,126,000. HB1005 doubles each of the fees in subdivisions (2) and (3). **The increase in revenue for subdivisions (2) and (3) is estimated to be approximately \$1,126,000 in county general funds.**

7-12-18 (4) Increase mileage allowance for traveling expenses in a motor vehicle from .03 to .06 cents above the State Board of Finance (SBOF) approved rate, to .08 cents above the SBOF approved rate.

Data from the 2015 Sheriff Management Study indicates that in FY14, \$181,223 was collected for mileage fees by 35 counties representing 74% of the population. It is assumed that all counties would have comparable statistics based on population. It is estimated then, that the fees collected on allowable mileage by all counties was approximately \$245,734. The impact of HB1005 affects only the amount allowed that is over and above the SBOF rate, for which we have used the average of .045 cents per mile. Based on this, the estimated fees collected on the mileage rate that was above the SBOF approved rate was \$26,646. HB1005 applies a per mile rate of .08 cents above the SBOF, which is an increase of 178%. The estimated fees collected on the .08 cent rate above the SBOF rate would be \$47,370. **Therefore, the increase in revenue for subdivision (4) is estimated to be \$20,725 in county general funds.**

- 7-12-18 (5) Increase fee for serving writ of execution, whether satisfied, or unsatisfied, from thirty-five dollars to ninety-five dollars.

In 2014, 6,177 executions were served in 39 counties representing 83% of the population. It is assumed that all counties would have comparable statistics based on population. It is estimated then, that the total number writ of executions served was approximately 7,456. HB1005 proposes to increase the fee by sixty dollars. **The increase in revenue for subdivision (5) is estimated to be \$447,355 in county general funds.**

- 7-12-18 (6) Increase fee for levying writ of possession from twenty-five dollars to fifty dollars.

In 2015, 324 writs of possession were served in six counties representing 34% of the population, as reported in a survey conducted by the Sheriff's Association. It is assumed that all counties would have comparable statistics based on population. It is estimated then, that the total number of writ of possessions served would be approximately 950. HB1005 proposes to increase the fee by twenty-five dollars. **The increase in revenue for subdivision (6) is estimated to be approximately \$23,738 in county general funds.**

- 7-12-18 (7) No change in HB1005

- 7-12-18 (8) No change in HB1005

- 7-12-18 (9) No change in HB1005

- 7-12-18 (10) Increase fee for processing deed for land sold on execution or order of sale from fifty dollars to one hundred dollars. However, no fee is charged when the deed only requires the sheriff's signature.

In 2015, two sales that required more than a sheriff's signature were done in seven counties representing 41% of the population, as reported in a survey conducted by the Sheriff's Association. It is assumed that all counties would have comparable statistics based on population. It is estimated then, that the total number of land sales requiring more than a sheriff's signature would be five. **The estimated fiscal impact on county general funds is negligible.**

- 7-12-18 (11) Change the commission fee for all money received and disbursed by the sheriff on order of sale, order of attachment, decree or on sale of property from a sliding scale ranging from 3% - 11% to a static 6%. If a foreclosure, the commission may not be more than fifteen hundred dollars.

The fiscal impact to county general funds cannot be calculated as fees will increase for some counties and decrease for others, and only incomplete data is available for this fee.

- 7-12-18 (12) Fee for the sale of forfeited personal property. If the bid price is one thousand dollars or less, the fee is proposed to increase from twenty to forty dollars. If the

amount of the bid is more than one thousand dollars, the fee is proposed to increase from fifty to one hundred dollars.

In 2015, 120 property sales meeting the requirements of subdivision (12), and all selling for over one thousand dollars, were executed in seven counties representing 41% of the population, as reported in a survey conducted by the Sheriff's Association. It is assumed that all counties would have comparable statistics based on population. It is estimated then, that the total number of sales would have been approximately 291, generating \$14,564 in fees. HB1005 proposes to double the fee on property sales. **The increase in revenue for subdivision (12) is estimated to be approximately \$14,564 in county general funds.**

7-12-18 (13) No change in HB1005

7-12-18 (14) No change in HB1005

Section 12. Increase the fee on each small claims court filing, as a county law library fee, from two to three dollars. Increase the fee for all other filings from five to seven dollars. However, no fee may be collected for any petition dealing with child support, child custody, child visitation, or spousal support.

The Unified Judicial System reported that during FY2015 there were 27,480 \$2-filings for small claims court, and 10,668 \$5-filings in the "other" category. **The increase in revenue for Section 12 is estimated to be \$48,816 in the county law library fund.**

Section 13. Make the per diem payment of the board of appraisal members equal to all other boards as set in SDCL 3-9. Other style-and-form modifications were made in Section 13. **The estimated fiscal impact on county general funds is negligible.**

Section 14. Change the Register of Deeds fee for filing or providing a certified copy of a statement. Currently, the Register of Deeds charges ten dollars for each filing and certified copy. HB1005 proposes to make this fee consistent with all other Register of Deeds fees by charging thirty dollars for the first fifty pages and two dollars for each additional page. For a certified copy, the Register of Deeds charges five dollars for the first page and one dollar for each additional page. **The fiscal impact to county general funds cannot be calculated as only incomplete data is available for this fee.**

Section 15. Fiscal impact reflected in Section 4.

With the passage of HB1005, without the pending amendment 1005ja, the estimated fiscal impact is as follows:

County General Funds – increase of \$4,298,840

County Law Library Funds – increase of \$48,816

If Amendment 1005ja were to be placed on the bill, the estimated fiscal impact is as follows:

County General Funds – increase of \$6,178,104

County Law Library Funds – increase of \$48,816

State Motor Vehicle Fund – decrease of (\$1,831,149)

State General Fund – decrease of (\$48,115)

APPROVED BY: __/s/ Jason Hancock_____

DATE: __2/2/16__