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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 181  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 181's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Hillyer and Williams

**Local Impact Statement Procedure Required:** No

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### Highlights

#### County Recorder Electronic Record Modernization Program

- The costs that counties incur for implementing record digitization and electronic recording would likely be offset by grants that will be allocated through a new County Recorder Electronic Record Modernization Program, to be housed under the Treasurer of State and funded from GRF and non-GRF sources totaling \$8.0 million in FY 2024.
- The bill requires county recorders to make electronic indexes and electronic versions of instruments dating to January 1, 1980, available to the public via the county recorder's website by January 1, 2025.
- The bill also requires county recorders, county auditors, and county engineers to provide an electronic method of recording instruments related to real estate conveyances by January 1, 2025. This could be achieved by adopting solutions provided by outside vendors that offer this service to counties at little or no cost.
- The bill creates a document preservation surcharge of \$10 to be collected by county recorders to support the preservation and digitization of documents and ongoing costs incurred by a county recorder's office. Under the bill, proceeds of the surcharge would be split evenly between the county general fund and the Housing Trust Fund.
- The bill also increases the base fee charged for recording the first two pages of instruments related to tangible or intangible personal property from \$28 to \$34, synching these fees with those for most other recorded instruments.

- The bill extends certain dates that apply to the diversion of recordation fees from the county general fund to the county recorder technology fund. This would provide a supplemental source of revenue for county recorder technology funds.

## **Treasurer of State**

- Requirements related to the County Recorder Electronic Record Modernization Program may increase the Treasurer of State's administrative costs. Any increase in such costs would be paid from one of the following line items: GRF line item 090321, Operating Expenses and Dedicated Purpose Fund line items 090603, Securities Lending Income (Fund 4E90) and 090609, Treasurer of State Administrative Fund (Fund 6050).

## **Vehicle disposal by university campus police departments and park district police forces**

- University campus police departments and park district police forces may see some efficiencies from the authority granted by the bill to dispose of certain abandoned or forfeited vehicles, including being able to recoup some of their disposal and storage costs by selling these vehicles.

## **Detailed Analysis**

### **County Recorder Electronic Record Modernization Program**

The bill requires counties to provide an electronic method of recording and accessing specified instruments on the county recorder's website by January 1, 2025. These costs would likely be offset via grant funding of \$8.0 million the bill appropriates in the Treasurer of State's (TOS) budget in FY 2024 under appropriation line items (ALIs) GRF 090409, County Recorder Electronic Record Modernization Program and Fund 5BD1 ALI 090576, County Recorder Electronic Record Supplement.

#### **Indexes and instruments available online**

Counties may incur initial costs totaling tens of thousands of dollars to comply with the bill's requirements to make electronic indexes and electronic versions of instruments available to the public via the county recorder's website. Again, these costs are likely covered by the \$8.0 million in funding provided under the bill for these purposes. The indexes and instruments must be available not later than January 1, 2025, and must include all instruments recorded on or after January 1, 1980, with certain exceptions. Digitizing these records is a labor intensive process and may require counties to incur additional payroll and overtime or to contract with outside services to meet the bill's requirements. According to the Ohio Recorder's Association, as of May 2023, 41 counties have digitized the required documents dating back to 1980; 22 counties, back to 1985; 16 counties have not yet digitized the required documents dating back to 1985; and the progress of nine counties is unknown. The Association estimates the counties have a combined total of approximately four million documents that must be digitized in order to meet the bill's requirements. The costs to fully digitize the remaining documents are estimated to total approximately \$2.0 million, or 50¢ per document. The documents must also be indexed, which further increases costs. In total, 30 counties are fully compliant with all documents scanned and available back to 1980 and are electronically recording conveyance documents.

## **Electronic recording of instruments**

The bill also requires county recorders to provide an electronic method for recording specified instruments, including instruments related to the conveyance of property no later than January 1, 2025. The bill gives county recorders the option to either hire new staff or contract with vendors in order to accomplish this task. If county recorders do the latter, depending on the way vendor contracts are written, this task could be accomplished at little or no cost. This is because software and web-based solutions that use existing county computer systems are available through vendors who provide their services to counties at little or no cost. Rather than charging counties for the services, these vendors receive revenue through fees charged to banks, title agents, and others submitting documents for recording. It is possible that counties may incur a slight uptick in payroll costs for initial set up of these software and web-based solutions. As of May 2023, 67 counties electronically recorded documents and 41 counties electronically recorded conveyance documents.

## **Grant funding provided by the Treasurer of State**

The costs incurred by counties to meet the bill's electronic recording and document retrieval requirements could be offset by GRF and non-GRF appropriations under the County Recorder Electronic Record Modernization Program established by the bill. The bill houses the program under the Treasurer of State and funds it using \$6.5 million in FY 2024 under GRF ALI 090409, County Recorder Electronic Record Modernization Program and \$1.5 million in FY 2024 under Fund 5BD1 ALI 090576, County Recorder Electronic Record Supplement. Any county that receives funding under the program must credit the money into the corresponding county recorder's technology fund at least to the extent necessary to reimburse the fund for money the county recorder had spent to implement the bill's requirements. Counties that meet the bill's requirements on the bill's effective date however, are ineligible for the funding under the program.

## **Document preservation surcharge**

The bill creates a \$10 document preservation surcharge that will be collected by county recorders. The proceeds would be split evenly and deposited into the county general fund and Housing Trust Fund. The document preservation surcharge could make up for some or all of the potential loss in recording fees that would happen by electronic recordation of instruments as required under the bill. Recordation fees support county recorder operations and provide revenue for various housing programs under the state's Low- and Moderate-Income Housing Trust Fund (Fund 6460). Under current law, a county recorder charges the following fees for recording and indexing most instruments using a photocopy or similar process: (1) for the first two pages, a base fee of \$17 and a state Housing Trust Fund fee of \$17, and (2) for each subsequent page, a base fee of \$4 and a Housing Trust Fund fee of \$4.

## **Other recording fee changes**

The bill makes other fee changes that may to some degree offset costs and revenue losses as a result of the adoption of electronic recording methods. Specifically, the bill increases the minimum amount a county recorder charges for recording living wills and health care powers of attorney. Under current law, a recorder charges a base fee of between \$14 and \$20 and a state Housing Trust Fund fee (for deposit into Fund 6460) of between \$14 and \$20. The bill changes these fees to between \$17 and \$20. The bill also increases the fee for recording and indexing the

first two pages of various documents related to personal property that are specified in continuing law from \$28 to \$34. The bill maintains the current law requirement that this fee be deposited to the county general fund or, if a county has established a county recorder's technology fund, that the fee be split evenly between the county recorder's technology fund and the county general fund. Note that the new document preservation surcharge would not be applied when these documents are recorded. The bill makes additional changes to other fees collected by county recorders including: fees for certifying previously recorded records, indexing any reference by a separate recorded instrument, and fees for transmitting recorded instruments. Although the bill does not change the amount of the fees, the bill does provide for collection of these fees when dealing with electronic records. Please see the LSC bill analysis for additional details.

### **Extending approved funding requests for county recorder technology funds**

To cover the cost of planned information technology (IT) improvements in county recorders' offices, current law allows county recorders to request that some portion of recordation fee revenue that would ordinarily go into the county general fund to instead go into the county recorder's technology fund. These requests may be for up to five years. By extending certain provision dates, the bill diverts an additional uncertain amount of fee revenue from certain county general funds to the corresponding county recorder's technology fund. It allows county recorders whose IT improvement plans have been approved by county commissioners to place up to \$8 of total base recording fees in the county recorder's technology fund. Under the bill, the duration of approved proposals is extended from January 1, 2025, to January 1, 2030, unless otherwise limited in an approved proposal. Additionally, the provision extends the period during which a county recorder may submit a second proposal for additional funds from October 1, 2023, to October 1, 2028, similarly enabling a diversion of fee revenue for the same purpose.

### **Vehicle disposal by university campus police departments and park district police forces**

The bill generally allows university campus police departments and park district police forces to dispose of and, in certain circumstances, take title to motor vehicles abandoned on public or private property within their jurisdiction in the same manner that county, municipal, township, and port authority law enforcement officials are authorized to do so under current law. This may create certain efficiencies for university campus and park district police forces. To the extent that such vehicles may be auctioned, some costs for storage and disposal could be recouped.