



TESTIMONY ON SENATE BILL 898
Predictable Recorder of Deeds Fee
Presented to the Senate Local Government Committee

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The County Commissioners Association of Pennsylvania (CCAP) is a non-profit, non-partisan association representing the commonwealth's 67 counties. We appreciate the opportunity to offer comments on SB 898, which would establish a predictable fee for the recording of documents in second class A through eighth class counties.

Implementing a Flat Fee

Senate Bill 898 provides a legislative remedy to a federal legal rule issued by the federal Consumer Financial Protection Bureau, which regulates residential mortgage transactions, stating that recording costs must be accurately disclosed in a property transaction in advance of settlement and before the document to be recorded is in final form. Furthermore, the bill also comes in response to the 2016 Legislative Budget and Finance Committee report identifying that because county recorder of deeds fees are calculated under current law by the number of pages or names that need to be indexed, the fees can be difficult to predict. Therefore, SB 898 seeks to remedy these concerns by updating the county recorder of deeds fee law to make fees more predictable to the payor. The bill bases the fees for recorder of deeds on a flat rate per document up to the first 50 pages with the option to add an additional per name fee if there are more than 25 names for a document.

Of course, counties have many responsibilities to their constituents, one of them being the recording of deeds. Counties also want to ensure that the fees in any updated legislation will meet the needs of their county recorder of deeds offices and cover their administrative expenses for processing and recording the deeds, while also providing an accurate and timely service to their residents. Senate Bill 898 establishes a flat rate for the recordation of a document of \$50 for the first 50 pages and allows for the county to charge an additional fee of \$1 per name in excess of 25 for a document containing more than 25 names.

Counties agree that a flat fee for all county class sizes is necessary. After performing a cost analysis several years ago, counties reached a consensus that using the predictable fees in this manner as drafted in SB 898 would likely cover their administrative recording costs while meeting the predictable fee goals. Counties are also agreeable to the bill's allowing counties to charge an additional fee for documents containing more than 25 names to account for the additional processing and administrative expense associated with that work. This would assist counties in addressing documents similar to those of homeowners' association and oil and gas lease assignments that could have many names to index. Some of these types of documents have contained multi-thousand names and can take many weeks of work to index. Therefore, it is appropriate to account for the additional work and expense in this manner. Counties believe this sufficiently captures the relatively few documents that could contain more than 25 names without costing the payor for fees on an average deed or mortgage additional money.

Uniform Parcel Identifier System

Senate Bill 898 also includes language to implement a cap on the fee charged for a single document for the Uniform Parcel Identifier (UPI) at \$1,000, regardless of the number of uniform parcel identifiers recorded.

While counties agree that they should be able to charge this fee, we remain concerned over placing a cap on UPI document recording. A number of counties across the state continue to utilize a UPI system. When using a UPI, counties must consider the recording separately per parcel to make the changes correctly for each one. This can take a great deal of time if the document contains changes to many parcels, such as making a similar change to each of many parcels in a homeowners' association community. Therefore, this additional work must be accounted for as separate transactions, and it is not appropriate to group parcels together under a single transaction fee as would be the case with current language in SB 898.

Furthermore, counties have concerns with the \$1,000 per document cap on fees in the UPI system related to recording oil and gas leases, or similar recordation needs. For example, one oil and gas lease document alone can have more than 10,000 names to an index, which can take counties long periods of time to record. Expecting counties to handle that volume of paperwork without allowing them to collect additional fees associated with that increased demand in work will cause major cost challenges when counties have no means to cover the costs of the work their recorders perform. Therefore, we would request that the cap on UPI recording be removed entirely and a similar per parcel fee structure be added to allow counties to recover their costs for this essential recordkeeping.

Thank you for the opportunity to submit our testimony and for your consideration of these comments. Please feel free to contact me with any questions and we look forward to continuing to work with you on these matters important to county government.