

Charlotte Town Clerk, Mary Mead --- 3/26/18

H.899 – Fees Related to Records & Reserve Fund

Recording fees have not changed for several years. The fees currently charged are \$10.00 per page, \$10.00 per Property transfer tax return and \$15.00 for mylars. Clerks **may** use a portion of the recording fees collected to set aside in a Record Restoration Fund. Pretty simple.

The Legislature has introduced and is ready to pass a bill to “restructure the fees charged by town clerks for recording.....and **require** that a portion of certain fees charged by town clerks be reserved and deposited into the town's Restoration Reserve Fund”. Instead of making a simple increase to the recording fees-such as \$12.00/pg or \$15.00/pg, \$20.00 for a mylar or something similar, the Legislature chose the following:

\$40.00 for the first page, of which \$10.00 shall be reserved and deposited in the Town's Restoration Reserve Fund, and \$5.00 for each additional page. Property transfer tax return is \$40.00 of which \$10.00 shall be deposited into the Reserve Fund. Municipal documents to be recorded shall have a flat fee of \$20.00. Mylars will be \$30.00 of which \$10.00 shall be deposited into the Reserve Fund.

Let's look at some examples of the old versus the new in consideration of the fact that this restructuring was meant to increase the recording revenue for Towns.

OLD-700 documents recorded in a year, 10 pages each at \$10.00 = \$70,000 in recording fees; \$7,000 may be set aside in the Reserve Fund, so \$63,000 goes to the Town General Fund. 20 mylars recorded at \$15.00/map = \$300.00. Total General Fund at \$63,300.

NEW- 700 documents recorded in a year, 10 page documents = $700 \times \$40 = 28,000$ plus \$5.00/pg for the remaining 9 pages = $700 \times 9 \times \$5.00 = \$31,500$. 20 mylars recorded at \$30.00 = \$600.00. Total fees collected = $\$28,000 + \$31,500 + \$600 = \$60,100$. Total fees for the Reserve Fund = $700 \times \$10.00 = \$7,000$ plus 20 mylars $\times \$10.00 = \200.00 ; total of \$7,200. That leaves \$52,900 for the Town's General Fund revenue.

Many municipal documents that are recorded are several pages long, so instead of receiving \$80 in fees for example, we will receive \$20.00, no matter the length. Our recording paper and land record volumes are expensive, so it makes little sense to have less fees collected.

Town Clerks receive documents from all over the country to record. I don't have great confidence that other states will be up to par on Vermont's new fee schedule. I do see a lot of extra billing for the clerks, trying to collect the correct fees. There will be offices that won't record documents until the correct payment is received creating more backlog and headaches for researchers.

It feels like the big push was to **require** clerks to fund a Reserve Fund which feels unnecessary as it is the statutory job of the clerk to maintain the Town's records. Every town will have different needs for restoration and should be able to choose how those needs are met. Our Town has not had to set aside recording fees every year into our Reserve Fund. In those years where the recording revenue is low and the restoration needs are minimal, no money was diverted into the Reserve Fund, with no negative effect.

Increasing recording fees, I would vote “Yes”. This bill, H.899, I would vote a hearty “No”. It's needlessly cumbersome and confusing and does nothing to increase the recording revenues for Vermont's Town Clerk offices.

Mary A. Mead
Charlotte Town Clerk/Treasurer