

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1354

SHORT TITLE: Improve Torrens Law

SPONSOR(S): Representatives Brawley, Decker, Goodwin, Gulley, Weatherly, and Yongue.

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03

REVENUES

No General Fund Impact

County Reg. Of Deeds Less than \$400 Revenue Increase Per Year in Impacted Counties

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: County Register of Deeds.

EFFECTIVE DATE: January 1, 1999

BILL SUMMARY: The bill makes several changes to the Torrens Act. First, the bill replaces the fee schedule in current law with references to the general fee schedules administered by the register of deeds. Second, the bill defines how registered titles are indexed, and makes special provisions for correction of title at the death of a spouse, life tenant, or joint tenant. Third, the bill updates the procedures for entering judgments, liens, or lis pendens on the record title. Forth, the bill revises the notice procedures for tax delinquency or foreclosure, making it consistent with existing tax collection procedures.

ASSUMPTIONS AND METHODOLOGY: Torrens law is a land registration system, administered by the court, that makes a permanent and complete record of the exact statute of the title. The system registers conclusively the proper ownership of the land. The Torrens system protects absent landholders from squatters who attempt to obtain ownership of the property. As such, large landowners like timber companies, are most likely to use the Torrens system.

Because the bill alters the fee schedule there will be a fiscal impact. The chart below outlines the changes in fees, and indicated of who pays and receives those fees.

Fee Type	Current Fee	Proposed Fee
Examination of Title:	\$5.00 up to \$5000 in property, and \$0.50 for each additional \$1000 of property	reasonable fee for service
- paid by landowner		
- paid to examiner		
Recording Plot Upon Reg.	\$2.00 for the first page and \$1.00 for each additional	\$21.00 per page
- paid by landowner		
- paid to Reg. of Deeds		
Recording New Certificates	\$2.00 for the first page and \$1.00 for each additional	\$6.00 for the first page, \$2.00 for each additional
-paid by landowner		
- paid to Reg. of Deeds		
Issuing Cert. & New Cert.	\$0.50	\$3.00 for the first page, \$1.00 for each additional
- paid by landowner		
- paid to Reg. of Deeds		
Noting the Entries (Memo)	\$0.50 per entry	\$6.00 for the first page, \$2.00 for each additional
- paid by landowner		
-paid to Reg. of Deeds		
Survey and Map	\$0.40 per hour, minimum fee of \$2.00	
- paid by landowner		
- paid to county surveyor		

Ten or fewer coastal counties use the Torrens system on a regular basis. One of these counties, Washington, reports that they have 18 Torrens books. They report that their annual fee income from Torrens activity is approximately \$125. Their Torrens fee related income under the bill is approximately \$300. Beaufort County also uses Torrens. Beaufort reports Torrens related fee income of less than \$100 per year. Beaufort estimates that their Torrens fee income will still be less than \$500 under the bill.

TECHNICAL CONSIDERATIONS: There is very little data on the use of Torrens law. County Register of Deeds offices do not routinely track the related fee information. As such, some of these numbers reported by Registers of Deeds are estimates.

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Linda Struyk Millsaps

APPROVED BY: Tom Covington

DATE: July 15, 1998



Signed Copy Located in the NCGA Principal Clerk's Offices