

File No. 110914

Committee Item No. 1

Board Item No. 18

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: September 14, 2011

Board of Supervisors Meeting

Date: 9/20/11

#### Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Budget & Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Ethics Form 126
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form (for hearings)
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application

#### OTHER

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Completed by: Victor Young

Date: Sept 9, 2011

Completed by: Victor Young

Date: 9-15-11

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

[Recorder's Base Recording Fee Increase from \$4 to \$10]

**Resolution authorizing an increase in the Assessor-Recorder's base fee for recording and indexing the first page of every instrument, paper or notice from \$4 to \$10 pursuant to California Government Code section 27361(a).**

WHEREAS, The existing base fee for recording and indexing the first page of every instrument, paper or notice in the San Francisco County Assessor-Recorder's office was established in 1985 as \$4 and has remained the same since that time; and,

WHEREAS, Section 2 of Senate Bill 676 (stats. 2009, Chapter 606, approved by the Governor on October 11, 2009) amended the California Government Code to increase the maximum fee the county recorder may charge for the first page component of the base recording fee, from \$4 to a maximum of \$10 for the first page, in an effort to more fully reimburse counties for the costs of services rendered by county recorders to the public pursuant to California Government Code Section 27361(a); and,

WHEREAS, The San Francisco County Assessor-Recorder has performed a cost study which indicates San Francisco County's costs for this service is in excess of \$23; and,

WHEREAS, Government Code Section 27366 states the fee for copying any other record or paper on file in the Office of the Recorder shall be set by the Board of Supervisors in an amount necessary to recover costs; now, therefore, be it

RESOLVED, That the Board approves and authorizes the San Francisco County Assessor-Recorder to implement an increase in the recording fee for the first page of every instrument, paper, or notice required or permitted by law to be recorded to \$10 for the first page, in order to reimburse the County of San Francisco for the costs of services rendered

1 pursuant to Government Code Section 27361(a), to become effective upon approval of this  
2 Resolution; and, be it

3 FURTHER RESOLVED, That the Board accepts the San Francisco County Assessor-  
4 Recorder's cost study regarding the cost of making a copy of a record on file in the office of  
5 the Recorder as supporting documentation for the Assessor-Recorder to increase fees for  
6 said service pursuant to Government Code Section 27366.

**Item 1**  
**Files 11-0914**

**Department(s):**  
**Assessor/Recorder**

## **EXECUTIVE SUMMARY**

**Note:** An Amendment of the Whole will be introduced at the September 14, 2011 Budget and Finance Committee Meeting to correct the proposed resolution. The following report is based on the proposed Amendment of the Whole.

### **Legislative Objective**

- The proposed resolution would authorize an increase in the Assessor-Recorder's existing base fee charged to persons recording and indexing the first page of every document by \$6 from \$4 to \$10.

### **Key Points**

- Documents recorded with the Assessor's Office include deeds, trusts and notices of default.
- The current base fee of \$4 has been in place since 1987.
- The Assessor-Recorder's Office estimates the actual cost of each recording of a document is \$23.91, or \$19.91 more than the existing base fee of \$4.
- California State Senate Bill 676 increased the maximum allowable base fee to be charged from \$4 to \$10 in 2009.

### **Fiscal Impact**

- In FY 2010-11, the Assessor-Recorder collected \$869,148 in base fees for recording 217,287 documents. Mr. Mark McLean, Senior Administrative Analyst in the Assessor-Recorder's Office, estimates that the proposed base fee increase of \$6.00 would generate an additional \$1,200,000 a year, resulting in an estimated \$2,069,148 in total annual base fee revenues for recording documents (\$869,148 plus \$1,200,000).

### **Recommendation**

- Approve the proposed resolution.

**MANDATE STATEMENT/BACKGROUND****Mandate Statement**

Charter Section 2.109 provides that within 30 days of submission by the Mayor, the Board of Supervisors shall approve or reject any rate, fee, or similar charge to be imposed by any department, official, board or commission.

**Background**

The Assessor-Recorder collects fees charged to persons recording various types of documents, such as deeds, trusts and notices of default. Currently, the fee for recording the first page of a document is \$11, which includes the \$4 base fee and \$7 in other fees authorized by the Administrative Code, as shown in Table 1:

**TABLE 1**

	<b>Currently</b>	<b>Proposed</b>	<b>Purpose of Fee</b>
Base Fee for Recording Various Documents	<b>\$4</b>	<b>\$10</b>	\$3 to General Fund, \$1 to Modernization Fund
Microfilm Fee	<b>\$1</b>	<b>\$1</b>	To fund storage of documents on microfilm
Access Fee	<b>\$1</b>	<b>\$1</b>	To ensure the office is accessible and open to the public
Indexing Fee	<b>\$1</b>	<b>\$1</b>	To ensure the document is indexed within 48 hours
Social Security Number Truncation Fee	<b>\$1</b>	<b>\$1</b>	To redact social security numbers from old files
Fraud Protection Fee	<b>\$3</b>	<b>\$3</b>	10 percent to Assessor-Recorder, 90 percent to law enforcement for overall fraud prevention
<b>TOTAL FEE</b>	<b>\$11</b>	<b>\$17</b>	

The Assessor-Recorder has charged the existing base fee of \$4 since 1987. Of the \$4 base fee, \$3 reimburses the Assessor-Recorder for recording documents and \$1 is deposited into the Modernization Fund.<sup>1</sup> According to Mr. Mark McLean, Senior Administrative Analyst in the Assessor-Recorder's Office, the Assessor-Recorder's Office's actual costs to record documents are an estimated \$23.91 per document, or \$19.91 more than the existing base fee of \$4.

<sup>1</sup> The \$1 fee deposited into the Modernization Fund is to be used exclusively to pay the costs required to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in the Recorder's system of recorded documents (Administrative Code Section 8.24-2).

**DETAILS OF PROPOSED LEGISLATION**

In 2009, the State Legislature passed Senate Bill (SB) 676, allowing counties to increase the maximum allowable base fee charged to persons for recording the first page of every document with the Assessor-Recorder's Office from \$4 per document to \$10 per document. Therefore the proposed resolution would authorize the Assessor-Recorder to increase the existing base fee by \$6 from \$4 to \$10, which is the maximum allowable fee under State law. The total fees charged by the Assessor-Recorder would also increase by \$6 from \$11 to \$17, as shown in Table 1 above. The existing \$4 fee has not been increased since 1987.

**FISCAL ANALYSIS**

In FY 2010-11, the Assessor-Recorder collected \$869,148 in base fees from 217,287 documents recorded (\$4 per document). Of the \$869,148 collected from the base fees, \$651,861 was allocated to the General Fund to offset the cost of recording the documents (\$3 per document) and \$217,287 was allocated to the Modernization Fund (\$1 per document). Mr. McLean estimates that the proposed base fee increase of \$6.00 would generate an additional \$1,200,000 per year (based on estimated 200,000 documents being recorded), resulting in an estimated \$2,069,148 total annual base fee revenues for recording documents (\$869,148 plus \$1,200,000).<sup>2</sup>

**RECOMMENDATION**

Approve the proposed resolution.

<sup>2</sup> Due to the fact that the fee increase would go into effect on October 21, 2011 at the earliest (30 days after the proposed resolution is approved), the additional revenue generated, based on the Assessor-Recorder's estimate for FY 2011-12 would be approximately \$831,781 (\$1,200,000 pro-rated by partial year \* (253 days left in the year as of October 21 / 365)).

**FEE STUDY WORKSHEET**  
December 2010

**Recording , Indexing, Scanning, and Microfilming**

	Sen Doc Exam Tech (8111)	Sen Mic/ Imag Tech (1752)	Doc Exam Tech (8110)
Hr. Rate	\$41.99	\$38.33	\$38.00
Minutes	7	5	4
Hours (Ave)	0.117	0.083	0.067
Direct Personnel Cost	\$4.91	\$3.18	\$2.55
<b>Total Personnel Cost</b>			<b>\$10.64</b>
Overhead Rate	\$9.69	\$9.69	\$9.69
Hours (Ave)	0.117	0.083	0.067
Overhead Cost	\$ 1.13	\$0.80	\$0.65
<b>Total Overhead Cost</b>			<b>\$2.58</b>
Services & Supply Rate	\$8.08	\$8.08	\$8.08
Hours (Ave)	0.117	0.083	0.067
Services & Supply Cost	\$0.95	\$0.67	\$0.54
<b>Total Services &amp; Supply Cost</b>			<b>\$2.16</b>
Supervision Rate	\$31.98	\$31.98	\$31.98
Hours (Ave)	0.117	0.083	0.067
Supervision Cost	\$3.74	\$2.65	\$2.14
<b>Total Supervision Cost</b>			<b>\$8.53</b>
<b>Total Cost</b>			<b>\$23.91</b>
<b>Current Fee</b>			<b>\$ 4.00</b>
<b>Subsidy Service Unit</b>			<b>\$19.91</b>
<i>New Fee</i>			<i>\$10.00</i>
<i>New Subsidy Service Unit</i>			<i>\$13.91</i>

BOARD of SUPERVISORS



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TDD/TTY No. 554-5227

## MEMORANDUM

TO: Planning Department  
Environmental Review Officer

FROM: Angela Calvillo, Clerk of the Board

DATE: August 17, 2011

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Committee

The Board of Supervisors Budget and Finance Committee has received the following, which is being referred to the Planning Department for determination as to whether the proposed fee increase will impact the environment.

**Please provide your findings within 10 days from the date of referral.**

File: 110914

Increase the Assessor-Recorder's Base Recording Fee

Please return this cover sheet with the Commission's response to **Victor Young, Clerk, Budget and Finance Committee.**

c: Nannie Turrell, Major Environmental Analysis  
Brett Bollinger, Major Environmental Analysis

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RESPONSE FROM PLANNING DEPARTMENT - Date: August 23, 2011

☐ No Comment

☒ Recommendation Attached

EXEMPT FROM CEQA per  
ARTICLE 18, SECTION 15273  
RATES TOLLS FARES and  
CHARGES.

Nannie Turrell for  
Bill Wycko, Environmental Review Officer

Referral - Fees

2/27/08