

## **Recording Fee Standardization Increase**

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In order to maintain best standards and eliminate confusion for title companies, lenders, and other related partners, it is important to establish a standardized fee and predictability that will be followed statewide. We request the Utah State Legislature to establish a standardized recording fee of \$45 per document with a few exceptions.

### **Recording Fee History and Need**

- Since 1993, a space of 26 years, there has not been an increase in the recording fee for which the responsibilities and volume of recording and indexing have grown exponentially.
- Nationwide, there has been an increasing encouragement for states to standardize their recording fee because of the Truth in Lending Act and actions taken by the CFPB to make lending transactions transparent to help consumers understand closing costs.
- The Property Records Industry Association (PRIA) has asked states and recorders for nationwide predictable fees to reduce the number of document rejections, prevent delays in closings, and reduce training time for recorders and lenders.
- Standard fees allow lenders and title companies to improve the accuracy of recording fee estimates that will help avoid infractions and penalties.
- Because of current practices, most of the county recorder offices are being subsidized by county general funds and are not generating revenue that is going to other county functions.
- It is important to recognize that this will eliminate added confusion and variable use of the RESPA designation and other issues that have caused confusion and issues within the title industry.

The need for a recording fee increase has been long delayed, and based upon our calculations, the fee would need to be raised substantially to address the standardization issue, especially for those counties that have some very large documents that have been contributing to their collected fees.

Below is a graphical description of recording fee needs for offices that have been previously subsidized with general county funds. Another important point is that this is a user-based fee, which at \$45 still does not cover the cost of the recording and indexing process. This fee increase can help alleviate the tax-payer burden.

**In the 2019 Legislative Session, we request the Utah State Legislature to establish a standardized recording fee of \$45 per document with 10 or less descriptions with an additional \$2 per legal description after 10, and for recording a plat at \$50 for each sheet and \$2 for each lot or unit designation.**

**Scenario Based on Current Statewide Average.**

**Over last 68 years.**

Avg number of years between increases:	8.4
Avg % of increase each time fees were raised:	61.57%
Avg % increase per year:	7.33%
Number of years since last increase:	26
Present value percentage (PVP) of increase (Years x Inc per year):	190.58%
Statewide Avg fee per document (SWA):	18.47
What fee per first page should currently be (PVP*SWF):	\$35.20

**Scenario Based on Growth Factor.**

**Over last 42 years -**

Depicts fee should be ~\$40.00

