

HB

108

HFIN

FILE

HB108 – Recorder's Office Receipt Supported Services
Scheduled for House Finance April 25,2001

- This Legislation will still require the Recorder's Office to submit its Operating and Capital Budgets and require Legislative appropriation.
- The Recorder's Office competes for resources with other DNR programs, such as Oil & Gas, Parks, Forestry, Mining, Land & Water for incremental funding. This year's increment (See Fiscal Note) was \$150.0 for increase Facility Lease cost, postage, etc.
- The Annual Revenues are ~\$4.0 million a year while direct appropriations to the Recorder's Office in the Operating Budget are \$2.4 million GFPR.
- The program should pay for "program" cost in other State Budgets such as:
 - Facilities Rent in DOA – Leasing = \$320.0
 - DP Chargeback cost for mainframe = \$ 50.0
 - Statewide cost – DOA = \$ 30.0
 - DNR Indirect Cost = \$130.0
- Annual Capital Budget - \$200.0 - \$250.0 currently funded with GFPR
- Other Recorder's Offices around the Nation have funding outside the state general fund, in order for them to fund their capital budgets.
- Industry Support for this legislation from members of:
 - Credit Union League
 - Alaska Miners Association
 - Alaska Association of Realtors
 - Alaska Land Title Association
 - Alaska Bankers Association
- Motznik & Assoc:

A question may be asked how the Recorder's office is doing with Mr. Motznik. Since the implementation of the State's Recorder's Office Index System we have provided a daily on-line transfer of the complete index without missing a day. Data entry quality concerns Mr. Motznik has raised are addressed through more timely updates and correction, and a plan to scanning and bar coding all the documents.
- Three Recorder's Offices still are housed in the Court System: Valdez, Chitna (Glennallen), and Seward.
- Recording Office fees have been in place since 1991 and are low compared to other fees charged in other States/Counties.

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HB108
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February 2, 2001

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

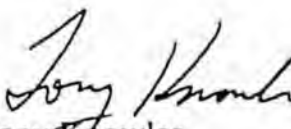
Dear Speaker Porter:

I am transmitting this bill to help ensure the state recorder's office can do the best possible job in its task as depository of vital documents related to real estate and secured personal property transactions throughout Alaska.

Under this bill the customers who use the recorder's office, well over 50,000 contacts annually, will directly support its operations. Receipts for recording and other fees of this office will be accounted for separately and intended for appropriation to run the recording functions of the state. This funding method should provide the recorder's office with the resources needed to maintain and improve operations, including upgrading recording office systems to stay abreast of technological advances in the field, as well as to permanently preserve the millions of records in its custody.

The state recorder's office is responsible for recording and preserving more than 200,000 documents per year. It is necessary to the health of Alaska's economy that this office functions efficiently and offers excellent service to its users.

Sincerely,


Tony Knowles
Governor

HR108

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1

Bill Version: HB 108

(H) Publish Date: 2/5/01

Dept Affected: Natural Resources

BRU: Information/Data Management

Component: Recorder's Office/UCC

Revision Date/Time:
Title: Recorder's Office Receipt Supported Services

Sponsor: Rules Committee

Requestor: Governor

Component No. #802

Expenditures/Revenues (Thousands of Dollars)
Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
PERSONAL SERVICES	20.0	20.0	20.0	20.0	20.0	20.0
TRAVEL						
CONTRACTUAL	115.0	115.0	115.0	115.0	115.0	115.0
SUPPLIES	15.0	15.0	15.0	15.0	15.0	15.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	150.0	150.0	150.0	150.0	150.0	150.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(2,388.9)	(2,388.9)	(2,388.9)	(2,388.9)	(2,388.9)	(2,388.9)
1037 GF/Mental Health						
1156 Receipt Supported Services	2,538.9	2,538.9	2,538.9	2,538.9	2,538.9	2,538.9
TOTAL	150.0	150.0	150.0	150.0	150.0	150.0

Estimate of any current year (FY2001) cost: \$ 0.0

POSITIONS						
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

This legislation will switch the funding source for the Recorder's Office from 1005/General Fund Program Receipts to 1156/Receipt Supported Services category. There will be no operational change as a result of this legislation.

\$150.0 Increase in Operational Costs:
The component continues to place increased emphasis on the critical need to preserve its historic records dating back to the 1800's. At the same time the component is moving into newer technologies and applications that will make access to new recordings faster and easier than it has ever been before. Both of these demands are draining existing component resources to unprecedented levels.

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Division:	<u>Support Services Division</u>	Date:	<u>13-Nov-00</u>
Approved by Commissioner:	<u>Pat Pourchol</u>	Date:	<u>13-Nov-00</u>
Agency:	<u>Natural Resources</u>		

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Continuation of fiscal note for:

Recorder's Office Receipt Supported Services

Repetitive status quo operational funding over a number of years, coupled with significant increases in contractual and supply costs, has required the component to forego or limit expenditures in several areas, including equipment maintenance and repairs, postage, archiving, and equipment replacement. Due to such cost increments and increased demands for the component's services, the component will not be able to continue status quo operations into FY02 without added funding.

DNR has requested a fund source change in FY02 relating to the accounting and appropriation of fees for recording and related services provided by the component. The change would allow the component's program receipts to be accounted for separately and would allow for more appropriate budgeting for the needs of the department. This fiscal note reflects an increase of \$150.0 over the Governor's budget request for this component. This additional funding is necessary to cover the component's increased operating expenses in a number of areas related to technology and records preservation – the two major forces currently impacting the component's operations. Specifically, this increase includes:

\$15.0 to cover increased lease costs associated with acquisition of additional historical records from various magistrate offices throughout the state and to cover space needs for thousands of plat mylars that are expected to be returned to the component for permanent storage;

\$30.0 to cover increased maintenance costs for reader/printers and other equipment in recording offices throughout the state;

\$20.0 to cover off-site records storage and costs associated with accessioning permanent film records to State Archives in Juneau;

\$20.0 to cover increased postage and courier expense;

\$5.0 to cover increased phone line expense to support WAN connections in all recording offices statewide;

\$20.0 to provide non-perm or intern staffing to address mailout backlogs in various offices;

\$15.0 to cover supply needs associated with new technology and new equipment, including archive film, CDs, labels, bar code software, bar code printers, etc.;

\$25.0 to address digital conversion of film records in various locations.

All of these expenditures are necessary for continuation of basic recording functions as mandated by statute. This increase is necessary to facilitate the component's basic mission: to provide and maintain a secure and impartial place of record for legal documents affecting real and personal property in the manner prescribed by Alaska law and to protect, preserve and enhance the permanent public record for the benefit of present and future generations.