



POLICY STATEMENT DOCUMENT FILING FEE INCREASES

Background

Recorders of deeds and clerks of court now charge a fee for filing of deeds, mortgages, and property transfers. There are currently five prevailing laws that establish and authorize filing fees and increases: the First Class County Recorder of Deeds Fee Law, the Second Class County Recorder of Deeds Fee Law, the Recorder of Deeds Fee Law, the Optional County Affordable Housing Funds Act, and Title 42 (Judiciary and Judicial Procedure).

In 1949, the First Class County Recorder of Deeds Fee Law was enacted and established fees for services of recorders of deeds in counties of the first class. In 1919, the Second Class County Recorder of Deeds Fee Law was enacted and established fees for services of recorders of deeds in counties of the second class.

In 1982, the Recorder of Deeds Fee Law was enacted and established fees for services of recorders of deeds in counties of the second A, third, fourth, fifth, sixth, seventh and eighth classes. It was first amended in 1998 to create a County Records Improvement Fund and stated that a \$2 fee shall be charged and collected for each deed or mortgage document recorded. In 2002, the Law was again amended, this time to increase the fee to \$5 per document. Three dollars will support development and improvement of office records and systems; two dollars will be deposited in the County Records Improvement Fund for standardizing and equalizing the capabilities of county offices.

In 1992, the Optional County Affordable Housing Funds Act was enacted that authorized counties of the second, second A, third, fourth, fifth, sixth, seventh and eighth classes to increase the recording fees of deeds and mortgages by 100% to support or enhance local affordable housing efforts.

In 2002, an amendment to Title 42 (Judiciary and Judicial Procedure) provided for an additional fee of \$10 to be charged and collected by the recorder of deeds and clerks of court for each filing of a deed, mortgage, or property transfer for which a fee, charge or cost is authorized. These fees provide for the Judicial Computer System Augmentation Account and the Access to Justice Account.

PAR Position

As a recording fee is only levied on a homebuyer, the burden per taxpayer is much greater than the burden from a more broad-based tax designed to generate the same amount of revenue. While these fees appear attractive during an excellent real estate market, recording fees are an unstable source of funding.

Some of these fees can be costly, and when added together, they can be staggering. The list of charges a buyer might be required to pay includes fees for document preparation, deed filing, inspection, underwriting, delivery, and notarizing. In a booming housing market, consumers wishing to purchase a home are more likely to invest and pay fees. However, in a fluctuating or low market, consumers study the cost sheets diligently and high recording fees can detract from major selling points, including affordable housing costs. This not only hinders the real estate market and REALTORS®, but hurts the economy as a whole.

In general, PAR is highly concerned over accumulating fees on the real estate transaction. PAR opposes additional fees when they are not integrally associated to or for the improvement of the industry. In cases where a fee may be levied for industry-related instances, PAR will consider each case individually.

*Approved by the PAR Board of Directors
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