Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

Bill Request #: 174	4		
Bill #: SB 243			
Document ID #: <u>48</u> 2	26		
Bill Subject/Title: AN ACT relating to recorded instruments.			
Sponsor: Senator Ja	son Howell		
Unit of Government:	City	X County	X Urban-County Unified Local
	X Charter County	y X Consolidated Local	
Office(s) Impacted:	County Clerks		
Requirement: X	Mandatory C	Optional	
Effect on Powers & Duties:	Modifies Existing	g <u>X</u> Adds New E	liminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 243 would require county clerks offices to remain open for at least 40 hours each week to allow reviewing and obtaining copies of recorded instruments (defined as documents relating to real and personal property, and documents with a Kentucky certificate of title, including deeds, titles, and powers of attorney) *unless* the offices have an online portal allowing the public to search for records electronically. If the office maintains a portal, then it must remain open for purposes of reviewing for at least 30 hours.

However, SB 243 requires at least a gradual portal implementation for **all** county clerks. County clerks must maintain a database by January 1, 2022, that would allow for electronically filing of a recorded instrument. By June 30, 2024, county clerks must maintain a portal that contains recorded instruments filed on or after June 30, 1994. By June 30, 2026, county clerks must maintain a portal with recorded instruments filed on or after June 30, 1966. County clerks are prohibited from charging a fee to any person for accessing or obtaining electronic copies of recorded instruments from the portal.

SB 243 would have a minimal fiscal impact in the first year, but the fiscal impact would be moderate to significant over the next several years on county clerk offices that do not already have an online portal for recorded instruments.

For the first year, the impact of the bill may be minimal, since the only impact may be to require offices to keep offices open to the public for a short time longer if they do not already allow access to recorded instruments at least 40 hours per week. However, the bill phases in online portal requirements over the next six years.

There are numerous costs associated with SB 243:

- cost of creating a database to file and search documents
- cost of scanning old documents for use in a searchable database
- loss of revenue from not charging for copies of documents
- cost of remaining open for at least 40 hours for purposes of reviewing/obtaining copies of recorded instruments.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to SB 243 as introduced.

Data Source(s): LRC Staff, Identical to Section 1, RS 21 HB 151.

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 2/24/21