

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0986

Date: April 19, 2013

Prime Sponsor(s): Rep. Kagan

Bill Status: House Judiciary

Fiscal Analyst: Kirk Mlinek (303-866-2756)

TITLE: CONCERNING THE EFFECT OF THE INCLUSION OF A LEGAL DESCRIPTION ON THE VALIDITY OF DOCUMENTS AFFECTING TITLE TO REAL PROPERTY.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

Under current law, the fact that a document of title relating to real property does not contain an address, identifying number, or assessor's schedule number or parcel number does not render the document ineffective, nor render the title unmarketable, if the property's legal description appears in the document. The bill specifies that the absence of a legal description in a document of title relating to real property does not necessarily:

- render the document defective or invalid, or void the recording of the document by the county clerk and recorder of the county where the real property is situated; or
- determine whether the document is valid against a person obtaining rights in real property.

State Expenditures

The bill could, but is not expected to, increase the number of title-related suits filed with the courts. The omission of a property's legal description in a filing is rare and usually inadvertent. Any minimal increase in workload for the courts would be the result of prolonged hearings in those rare cases where both the legal description and other identifying information are deficient. The Judicial Branch will not require new appropriations as a result of the bill.

Departments Contacted

Judicial
Clerks

Law
Counties

Property Tax
Regulatory Agencies

Local Affairs