

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2375 - HB 2275

March 21, 2014

SUMMARY OF BILL: Requires a registered land surveyor to review the property description contained within the will, deed, title insurance policy, abstract of title, or other transfer document, prior to the transfer of title to any interest in real property. Requires such land surveyor to attest, by signature and in a report, to the quality of the property description, including the mathematical closure of the description and whether in the land surveyor's opinion the description may be retraced on the ground by a general property survey. The land surveyor is required to determine whether such real property is adequately described or contains appropriate information necessary to locate, relocate, or define the real property, after reviewing the applicable documentation that represents, depicts, displays, or describes the real property. The liability of a land surveyor acting under these provisions is limited to the cost of services provided by such surveyor.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Board of Examiners for Land Surveyors, this will not have a significant impact upon the Board.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over a two-year period. The Board of Examiners for Land Surveyor had a balance of \$195,240 in FY11-12, a deficit of \$139,784 in FY12-13, and a closing balance of \$141,137 on June 30, 2013.
- Disputes over the dimension of real property may result in additional filed court cases.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

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IMPACT TO COMMERCE:

Other Fiscal Impact - Due to a number of unknown factors, the exact amount of net business revenue is unable to be determined; however, such revenue is estimated to exceed \$100,000 statewide.

Assumptions:

- As a result of this legislation, licensed land surveyors in this state will experience an increase in business revenue.
- It is unknown what party in a realty transaction will be responsible for paying surveyor fees.
- Based on information provided by the Comptroller of the Treasury, notwithstanding the number of quitclaim deeds in this state, there are property transfers exceeding 176,000.
- It is unknown the percentage of current properties transfers that use a surveyor to provide mathematical dimensions of any for-sale property.
- Surveyors charge fees based on the size of the lot, geographical location, and other factors.
- Surveyor fees are approximately \$400 to \$5,000.
- Businesses will experience an increase in expenditures prior to selling a property.
- Due to the number of unknown factors, it is estimated that the net business revenue for surveyors will exceed \$100,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jdb