Ohio Legislative Service Commission

Terry Steele

Fiscal Note & Local Impact Statement

Bill: S.B. 257 of the 131st G.A. **Date**: May 4, 2016

Status: As Reported by Senate State & Local Government **Sponsor**: Sens. Seitz and Skindell

Local Impact Statement Procedure Required: No

Contents: Creates a presumption of validity of recorded real property instruments

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The bill creates a rebuttable presumption that a real property instrument is valid, enforceable, and effective in all respects. The bill also reduces the cure time for such documents from 21 to four years. This could reduce the number of challenges to such recordations.

Detailed Fiscal Analysis

The bill creates a rebuttable presumption that a real property instrument, such as a deed, mortgage, power of attorney, or memorandum of trust, conveys, encumbers, or otherwise affects the interest of the person who signed the instrument and that it is valid, enforceable, and effective in all respects when it is delivered to and accepted by a county recorder. The bill also reduces from 21 to four the number of years after which a defect in a recorded real property instrument is deemed cured and effective in all respects. The bill further specifies that these provisions do not apply to mineral interest documents associated with Oil and Gas Law. Overall, the provisions of the bill would not appear to affect the number of filings or recordations made by a county recorder. However, by reducing the cure time for these recorded instruments, there could be a reduction in the number of legal challenges to these instruments.

SB0257SR.docx/lb