



SENATE BILL 386: Registers of Deeds/UCC Recording Fees

2015-2016 General Assembly

Committee: House Judiciary I
Introduced by: Sen. Curtis
Analysis of: Second Edition

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SUMMARY: *Senate Bill 386 would specify fees for filing instruments governed by the Uniform Commercial Code with registers of deeds.*

CURRENT LAW: The Uniform Commercial Code, contained in Article 9 of Chapter 25 of the General Statutes, provides for the recording of security agreements in which a loan of money is secured by collateral, thereby giving the lender rights to the property, and provides a method of giving notice of a security interest in personal property to interested third parties. All UCC non-fixture filings are filed with the North Carolina Department of the Secretary of State. Fixture filings, relating to items that become a part of real estate, are filed at the local level in the Office of the Register of Deeds.

The UCC provides a fee schedule for filings. The Secretary of State's Office often provides for a smaller fee amount for instruments filed electronically. For UCC documents, the fee for responding to a request for information is \$38 if the request is communicated in writing and \$30 if the request is communicated by "another medium authorized by filing-office rule." The register of deeds does not provide differing fee amounts based upon the method used for filing.

BILL ANALYSIS: Section 1 of the bill would remove the cross-reference in the uniform fees for register of deeds related to instruments governed by the UCC and in its place insert the specific fee amounts as follows:

- \$38 for filing and indexing financing statements or records with two or fewer pages. This fee amount is not changing from current law.
- \$45 for filing and indexing the first 10 pages of financing statements or records with three or more pages, plus \$2 for each additional page. This fee amount is not changing from current law.
- \$38 for responding to an information request and certain other communications. This fee amount will be the fee amount regardless of how the request is communicated.

As provided under current law, the UCC filing fees would not apply either to the recording or the satisfaction of a deed of trust or mortgage, when the deed of trust or mortgage acted as a fixture filing or financing statement covering as-extracted collateral or timber to be cut. The recordings may be subject to other general register of deeds filing fees.

Section 2 makes clarifying and conforming changes in the UCC filing fees. It would specify the fees amounts applicable to records that must be filed and indexed with the register of deeds. It would specify those amounts by providing a cross-reference to G.S. 161-10, the uniform fees of registers of deeds.

EFFECTIVE DATE: This act becomes effective October 1, 2015, and applies to instruments registered on or after that date.

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