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The Rising Cost of Recording a Deed

By JAY ROMANO

Q.

I have heard that there is going to be an increase in the costs associated with recording a deed in New York. Is this true?

A.

Peter Brogan, chief counsel of Judicial Title Insurance Agency Inc. in Rye Brook, N.Y., said that as part of Gov. Eliot Spitzer's annual budget package, there would be a substantial increase in the filing costs to be paid on the sale of residential and commercial property in the state, including co-ops.

Mr. Brogan said that at present when a deed is recorded in New York, a document known as an RP-5217 (commonly referred to as the "equalization and assessment form") must also be filed by a title company. The form is primarily used to provide data on sale prices for assessment purposes.

The current fee to file the form for a one-family home in New York that sells for \$500,000 is \$75. Under the new budget proposal, the fee for filing the form on that sale will increase to \$325.

Mr. Brogan said the fee increase, which is likely to remain in its present form in the final budget, can go into effect as early as April 1, the date on which the state budget is supposed to be adopted. It is not uncommon, however, for negotiations between the State Legislature and the governor's office on details of the budget to delay its adoption.

Mr. Brogan said that his company — and probably most other title companies — would start collecting the higher fee immediately and hold the amount of the increase in escrow. If the equalization form is filed and accepted before the budget is adopted, the company will return the escrow being held.

Mr. Brogan said that there can be a delay between when the form is submitted and when it is accepted and that forms are sometimes returned and have to be refiled. By collecting the increased fee upfront, the company will have it available if the increase goes into effect between the date of the closing and the date the equalization form is officially accepted.

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