

### Fiscal Estimate - 2009 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>09-1923/2</b>		<b>Introduction Number</b> <b>AB-0338</b>	
<b>Description</b> Retaining the real estate transfer fee			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue      5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Daniel Huegel (608) 266-5705		Paul Ziegler (608) 266-5773	7/29/2009

## Fiscal Estimate Narratives

DOR 7/29/2009

LRB Number	<b>09-1923/2</b>	Introduction Number	<b>AB-0338</b>	Estimate Type	<b>Original</b>
<b>Description</b> Retaining the real estate transfer fee					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, unless the transaction is specifically exempt, a person who conveys (sells) real property to someone else must pay a real estate transfer fee when the transaction is recorded with the county Register of Deeds. The fee is imposed at a rate of \$0.30 per \$100 of value transferred (a rate of 0.30%). The county retains 20% of the fee and remits 80% to the state.

Under the bill, for a 12 month period beginning on the first day of the second month after publication, the 80% share of the transfer fee which counties currently remit to the state would instead be remitted to the person to whom the property was transferred.

The bill would decrease state general fund revenues by an amount equal to the current state share of the real estate transfer fee that counties currently remit to the state. Based on revenue estimates prepared by the Legislative Fiscal Bureau in May 2009, the state share of these fees was projected to be \$36 million in fiscal 2010 and \$37 million in fiscal 2011. Assuming that the bill is effective for the twelve months of calendar 2010, the bill is expected to reduce state general fund revenues by \$36.5 million, the midpoint of these two fiscal year estimates.

The bill would not affect the amount of the fee retained by counties, since they would be permitted to retain their 20% share of the fee. However, county administrative costs are expected to increase for postage, check preparation, and other costs necessary to remit the 80% of the fee to purchasers of property during the twelve month period. The Department of Revenue does not have data which would permit a reasonable estimate of the increase in administrative costs that counties would incur as a result of the bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 09-1923/2		<b>Introduction Number</b> AB-0338	
<b>Description</b> Retaining the real estate transfer fee			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
A one-time loss of \$36.5 million in general fund revenues.			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State		Local
NET CHANGE IN COSTS	\$		\$see text
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Daniel Huegel (608) 266-5705		Paul Ziegler (608) 266-5773	7/29/2009