

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-3225/2</b>	<b>Introduction Number</b> <b>AB-701</b>
------------------------------------	--

**Subject**  
 Corporate conveyances

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes       No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs       Permissive     Mandatory
  - 2.  Decrease Costs       Permissive     Mandatory
  - 3.  Increase Revenue       Permissive     Mandatory
  - 4.  Decrease Revenue       Permissive     Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

- GPR   
  FED   
  PRO   
  PRS   
  SEG   
  SEGS

<b>Agency/Prepared By</b> DOR/ Pamela Walgren (608) 266-7817	<b>Authorized Signature</b> Dennis Collier (608) 266-5773	<b>Date</b> 1/15/2004
---	--	--------------------------

**Fiscal Estimate Narratives**

**DOR 1/15/2004**

LRB Number <b>03-3225/2</b>	Introduction Number <b>AB-701</b>	Estimate Type <b>Original</b>
<b>Subject</b> Corporate conveyances		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, a person who conveys real property to another must pay a real estate transfer fee of 30 cents for each \$100 of value. The fee is collected by the Register of Deeds at the time the instrument of conveyance is submitted for recording. The sale of a membership interest in a business is considered a sale of personal property and is not subject to the real estate transfer fee.

The bill would impose the real estate transfer fee on a change of 50% or more in the ownership interest of a general partnership, limited partnership, limited liability partnership, limited liability company, corporation, tax-option corporation, nonprofit or nonstock corporation or another association, if the entity has assets consisting of real estate. The fee on these transfers would be collected by the Department of Revenue at the time the instrument of conveyance is submitted for recording.

Information is not available to estimate the fiscal effect of this bill for state or local revenues. However, the Department believes that a significant amount of real estate transfers by sale of ownership interest thereby avoiding imposition of the real estate transfer fee.

**Long-Range Fiscal Implications**