

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-0127/4	Introduction Number AB-0371	
Description Mortgage satisfaction and an exception to the real estate transfer fee		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input 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 type="checkbox"/> Counties <input type="checkbox"/> Others <u>0</u> <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		
Fund Sources Affected		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations		
Agency/Prepared By DOR/ Daniel Huegel (608) 266-5705	Authorized Signature Robert Schmidt (608) 267-9892	Date 9/23/2013

Fiscal Estimate Narratives

DOR 9/23/2013

LRB Number	13-0127/4	Introduction Number	AB-0371	Estimate Type	Original
Description Mortgage satisfaction and an exception to the real estate transfer fee					

Assumptions Used in Arriving at Fiscal Estimate

The bill makes several changes to current law regarding mortgage satisfaction and the recording of such satisfactions. These sections have no effect on the taxes collected by the Department of Revenue (DOR) and no effect on DOR administrative procedures.

Under current law, when transfers of interest in real estate are recorded with a county register of deeds, a transfer fee return may be required, and a transfer fee of \$0.30 per \$100 (0.30%) of value transferred may also be required. The fee is collected at the time the transfer document is filed. Of the total fee, 20% is retained by the county and 80% is remitted to the state.

There are currently several exemptions from the fee, one of which exempts transfers of real estate having a value of less than \$100. Under the bill, the exemption would apply to transfers of real estate having a value of \$1,000 or less. Based on real estate transfer fee returns filed in 2012, there were 1,740 returns with a value of \$100 to \$1,000. The total fee paid on these returns was \$2,432; the state share of the fee was \$1,946 and the county share was \$486. Thus, if the bill had been in effect for 2012, state revenues would have declined by \$1,946 and county revenues would have decline by \$486.

The number of real estate transactions and the number of real estate transfer fee returns filed can vary from year to year. Thus, the fiscal effect for a given year could differ from the numbers noted in the above paragraph.

The DOR would incur one-time costs to change the real estate transfer fee return and the computer programs used to process the return. These costs can be absorbed in current budgetary resources.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Mortgage satisfaction and an exception to the real estate transfer fee			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$-1,946
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$-1,946
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-1,946	-\$486
Agency/Prepared By		Authorized Signature	Date
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