

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number **05-4084/1** Introduction Number **AB-883**

Description

Requiring real estate mortgage lenders to provide borrowers with lottery and gaming property tax credit information

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

Agency/Prepared By

Authorized Signature

Date

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1/5/2006

Fiscal Estimate Narratives

DOR 1/5/2006

LRB Number	05-4084/1	Introduction Number	AB-883	Estimate Type	Original
Description Requiring real estate mortgage lenders to provide borrowers with lottery and gaming property tax credit information					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a person may claim a lottery and gaming credit against property taxes imposed on his or her principal dwelling in the state.

Under the bill, lenders who make real estate mortgage loans are required to provide borrowers with a form that describes the lottery credit and includes an application for the credit.

The bill further requires the Department of Revenue to prescribe the form and make the form available free of charge to lenders. A lender must provide the form to a borrower at the loan settlement. If the borrower does not attend the loan settlement, the lender must mail the form to the borrower no later than 10 business days after the loan settlement is completed.

The Department of Revenue already has a lottery and gaming credit application form. The form includes an explanatory paragraph and is available at no charge on the Department's web site. Consequently, the bill is not expected to create any additional administrative costs for the Department of Revenue.

The bill also has no significant impact on the lottery fund balance. While the bill may create a slight increase in current year lottery credit claims, this would be offset by either a reduction in late claims for the credit or a very minor reduction in funds available for the credit in the subsequent year.

Long-Range Fiscal Implications