



## Fiscal Estimate Narratives

DOR 5/31/2005

LRB Number	05-2628/2	Introduction Number	AB-423	Estimate Type	Original
<b>Subject</b> Conveying real property between related entities					

### 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 to the register of deeds in the county in which the property is located. The person must also file a real estate transfer fee return.

Under the bill, a conveyance occurs if there is a change in ownership interest, not including a merger, of 50% or more in a general partnership, limited liability partnership, limited partnership, limited liability company, corporation, tax-option corporation, nonprofit or nonstock corporation, or other association or entity that has assets consisting of real estate.

The conveyance is exempt from fee. A person who fails to record a conveyance within 90 days may be fined an amount equal to 10% of the value of the conveyance, but not less than \$1,000 or more than \$10,000, or imprisoned in the county jail for up to one year, or both.

The bill does not impose a fee and would have no fiscal effect.

Counties would incur additional costs because more conveyances would be recorded. These additional costs would be offset by additional recording fees.

### Long-Range Fiscal Implications