

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-2450/1		Introduction Number SB-351	
Description Requirements before a sale or other transfer of a manufactured and mobile home community, providing an exemption from the real estate transfer fee, and providing a penalty			
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 type="checkbox"/> Decrease Existing Appropriations		<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<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	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Cities	
<input type="checkbox"/> School Districts		<input type="checkbox"/> Others	
		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
DOR/ Daniel Huegel (608) 266-5705		Paul Ziegler (608) 266-5773	10/29/2009

Fiscal Estimate Narratives

DOR 10/29/2009

LRB Number	09-2450/1	Introduction Number	SB-351	Estimate Type	Original
Description Requirements before a sale or other transfer of a manufactured and mobile home community, providing an exemption from the real estate transfer fee, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

CURRENT LAW

The sale of a mobile or manufactured home community to a residents' association is subject to the real estate transfer fee. The transfer fee is imposed on the value of the land transferred plus the value of any other real estate, such as mobile homes owned by the community's owner that are permanently attached to the land, which are sold.

The real estate transfer fee is imposed at a rate of \$0.30 per \$100 of the value of the real estate transferred. Twenty percent of the fee is retained by the county where the transfer document is recorded and eighty percent is remitted to the state.

PROPOSED LAW

The bill gives a residents' association of a mobile or manufactured home community a right to make an offer to purchase the community if the community's owner has received an offer for the purchase or transfer of the community that the owner intends to accept. The bill exempts the sale of a mobile or manufactured home community to a residents' association from the real estate transfer fee.

FISCAL EFFECT

In general, the land in mobile home parks is taxed as real estate to the park owner. The property tax status of the mobile homes in the park depends on whether municipality has adopted an ordinance under s. 66.0435 to regulate mobile home communities within their borders. In general, mobile homes located in municipalities that adopt such ordinances are exempt from property taxes and subject instead to a monthly parking fee that, over a year, is equal to the property taxes that would have been paid on the home. In municipalities without such an ordinance, the mobile home may be taxed as real estate or personal property, depending on whether the home is attached to the land and whether the home owner also owns the land on which the home is located.

Based on data from the municipal financial reporting forms for 2007 filed annually with the Department of Revenue (DOR), 519 municipalities imposed the mobile home parking fee allowed under s. 66.0435, implying they have at least one mobile home park within their borders. This data does not permit an actual count of the number of mobile home parks to be made. In addition, DOR does not have information to estimate the number of mobile home parks that may exist in municipalities that have not adopted an ordinance under s. 66.0435.

Based on data from real estate transfer fee returns filed for the past three years, the average value of sales of mobile home parks was about \$17 million per year. The total real estate transfer fee on these sales was about \$51,000 (\$17 million X 0.003) per year, of which \$10,200 (\$51,000 X 20%) accrued to counties and \$40,800 (\$51,000 X 80%) accrued to the state. The number of these transactions that involved sales to residents associations is unknown. However, it is expected that the number of sales to residents associations in any given year would be small. Therefore, the loss in county and state real estate transfer fees engendered by this bill is expected to be minimal.

DOR administrative costs can be absorbed within existing budgetary authority.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-2450/1		Introduction Number SB-351	
Description Requirements before a sale or other transfer of a manufactured and mobile home community, providing an exemption from the real estate transfer fee, and providing a penalty			
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, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$minimal	\$minimal
Agency/Prepared By			
DOR/ Daniel Huegel (608) 266-5705		Authorized Signature	Date
		Paul Ziegler (608) 266-5773	10/29/2009