

Fiscal Estimate Narratives

DOR 9/23/2013

LRB Number	13-2805/2	Introduction Number	SB-290	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, etc.)		
	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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-1,946	-\$486
Agency/Prepared By		Authorized Signature
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		Date
		9/23/2013