

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-5137/1</b>	<b>Introduction Number</b> <b>AB-0948</b>
<b>Description</b> nonprobate transfers of farming implements at death	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues
<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
<b>Local:</b>	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> 0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS GPR-E	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
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	<b>Date</b>
	2/4/2022

## Fiscal Estimate Narratives

CTS 2/4/2022

LRB Number	21-5137/1	Introduction Number	AB-0948	Estimate Type	Original
<b>Description</b> nonprobate transfers of farming implements at death					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, beneficiaries who are receiving farm equipment must use the probate process.

This bill allows any interest in a farm implement to be transferred without probate to a designated beneficiary, as a transfer on death beneficiary, at the death of the sole owner, or at the death of the last of multiple owners, subject to any lien or encumbrance against the farm implement, if certain conditions are met, which would allow for the transfer of farm equipment through a more expedited process. Under the probate process, it would require 90 days to execute a transfer.

Under the bill, in order to pass an interest in a farm implement without probate, the owner or owners must execute a document that designates a TOD beneficiary of the farm implement, lists all of the owners of the farm implement, and states that the transfer is effective only upon the death of the owner or owners.

Any designation of an interest in a farm implement under the bill may be canceled or changed at any time by the sole owner or all then surviving owners, without the consent of the TOD beneficiary, by executing and recording another document that designates a different TOD beneficiary or no beneficiary.

The main impact on the court system would be that fewer fees may be collected by the register in probate, as these assets would not be subject to probate administration or the probate filing fee.

In FY20, \$5.4 million in Probate fees were collected, of which \$1.8 million were retained by the county and the remaining deposited with the state as GPR-E. As the number of circumstances in which a TOD process would be used instead of the probate process under current law is unknown, the fiscal effect is indeterminate, but the bill would reduce revenues to both the county and state.

The courts do not anticipate additional costs or workload as a result of this bill. However, since these assets would pass to a beneficiary without being subject to administration or to the filing fee outlined in Wis. Stat. 814.66(1)(a), the register in probate would collect fewer fees. The county retains 33.33 percent of all fees collected by the register in probate per Wis. Stat. 814.66(3).

### Long-Range Fiscal Implications

The bill would reduce revenues to county and state but the amount of the reduction is indeterminate.