Fiscal Estimate - 2023 Session

☑ Original ☐ Updated	Corrected Suppler	nental							
LRB Number 23-2921/1	Introduction Number AB-027	77							
Description the amount and distribution of the real estate transfer fee									
Fiscal Effect									
AppropriationsReve	ease Existing absorb within agency's b								
Permissive Mandatory Perm	ease Revenue School Swytcs	Cities							
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS									
Agency/Prepared By	Authorized Signature	Date							
DOR/ Craig Steinfeldt (608) 266-5705	Cari Redington (608) 266-2943	5/19/2023							

Fiscal Estimate Narratives DOR 5/19/2023

LRB Number 23-2921/1	Introduction Number	AB-0277	Estimate Type	Original				
Description								
the amount and distribution of the real estate transfer fee								

Assumptions Used in Arriving at Fiscal Estimate

The bill decreases the real estate transfer fee from 30 cents to 20 cents for each \$100 of the value of the conveyance. Under the bill, the county retains 30 percent of the fees collected in 2023 and 2024, 40 percent of the fees collected in 2025, and 50 percent of the fees collected in 2026 and each year thereafter.

Under current law, in FY 2022, the real estate transfer fee generated total revenue of \$151.73 million. The state received 80 percent or \$121.39 million, while counties retained 20 percent or \$30.36 million. Based on FY 2022 data, lowering the real estate transfer fee from 30 cents to 20 cents for each \$100 of value would have resulted in total revenue of \$101.15 million, a decrease of \$50.58 million. Under the bill's 30 percent county retention for 2023 and 2024, the counties would have retained the same \$30.35 million, while the state would have received \$70.81 million, or the entire decrease of \$50.58 million. Under the 40 percent retention (2025), counties would have received \$40.46 million, an increase of \$10.12 million, while the state would have received \$60.69 million, a decrease of \$60.69 million. The 50 percent retention (2026) results in the counties receiving \$50.58 million, an increase of \$20.23 million, while the state would receive \$50.58 million, or a decrease of \$70.81 million.

Assuming an initial applicability with FY 2024, state revenues are estimated to decline by \$37.09 million to \$51.92 million in FY 2024 (\$89.01 million under current law), decline by \$42.82 million to \$51.45 million in FY 2025 (\$94.27 million under current law), and decline by \$54.61 million to \$46.89 million in FY2026 (\$101.50 million under current law). Counties would see revenue an increase of \$0 million to \$22.52 million in FY 2024 (\$22.52 million under current law), an increase of \$3.55 million to \$27.11 million in FY 2025 (\$23.57 million under current law), and an increase of \$12.32 million to \$37.69 million in FY 2026. Combined revenue under the bill would decrease by \$37.09 million in FY 2024 to \$74.17 million, decrease by \$39.28 million in FY 2025 to \$78.56 million, and decrease by \$42.29 million in FY 2026 to \$84.59 million.

The department cannot absorb one-time administrative costs of \$6,300 for computer programming changes.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

	☑ Original ☐ Updated	Corrected	Supplen	nental
L	RB Number 23-2921/1	Introduction Num	ber AB-02	277
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<u> </u>	e amount and distribution of the real estate to			**************************************
	One-time Costs or Revenue Impacts for S nnualized fiscal effect):	tate and/or Local Governme	nt (do not inclu	de in
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<u> </u>	5,300			
11.	Annualized Costs:		scal Impact on f	
_		Increased Costs	Decre	ased Costs
A	. State Costs by Category	A		
L	State Operations - Salaries and Fringes	\$		\$
_	(FTE Position Changes)		200 p. 100 p	
<u> </u>	State Operations - Other Costs Local Assistance		433-36 HIWIHAMPIANDASTSTANDASMANIANIAN CANA	RACETTI CONTRACTOR AND DESCRIPTION OF THE PARTY OF THE PA
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_	Aids to Individuals or Organizations		NHOREUSERBREIS ARRESTOREMO VARIA CONTRACTOR	
<u>_</u>	TOTAL State Costs by Category	<u> </u>		\$
В	. State Costs by Source of Funds	TO THE PROPERTY OF THE PROPERT	HATANDONEHANIANIA ESTE IGANICANOMO STATUTUNOMO	
	GPR			
L	FED			
_	PRO/PRS			
L	SEG/SEG-S			
	l. State Revenues - Complete this only who e.g., tax increase, decrease in license fee,		decrease state	revenues
7	e.g., tax increase, decrease in incense ree,	Increased Rev	Dec	reased Rev
<u> </u>	GPR Taxes	\$		-37,086,900
	GPR Earned	Ψ.	Ψ-	.37,000,900
<u>_</u>	FED			
H	PRO/PRS			
H	SEG/SEG-S			
H	TOTAL State Revenues	\$	\$.	-37,086,900
r	NET ANNUA	ALIZED FISCAL IMPACT		,
r		State		Local
NET CHANGE IN COSTS		\$	\$	
NET CHANGE IN REVENUE		\$-37,086,900	adii) (ii ilkuskaisistissuu (autustiisiussuu moite Maidenaiseteesis Durandeus	\$
		terre de la composition della		CONTRACTOR
Α	gency/Prepared By	Authorized Signature		Date
DOR/ Craig Steinfeldt (608) 266-5705		 Cari Redington (608) 266-294	3	5/19/2023