

## Fiscal Estimate - 2025 Session

☒ Original      ☐ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> 25-2728/1	<b>Introduction Number</b> AB-0216
<b>Description</b> the amount and distribution of the real estate transfer fee, grants under the land information program, real property recording notification systems, and making an appropriation	
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate     <input type="checkbox"/> Increase Existing Appropriations     <input type="checkbox"/> Decrease Existing Appropriations     <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget     <input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs</div></div> <b>Local:</b> <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate     1. <input type="checkbox"/> Increase Costs      3. <input checked="" type="checkbox"/> Increase Revenue       <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory      <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory     2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue       <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><b>5. Types of Local Government Units Affected</b> <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input checked="" type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div>	

## Fiscal Estimate Narratives

DOR 5/6/2025

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### Assumptions Used in Arriving at Fiscal Estimate

The fiscal estimate pertains to the sections administered by the Department of Revenue. Current law, generally, requires a person who conveys an interest in real property to file a real estate transfer return with the county register of deeds and pay a real estate transfer fee equal to 30 cents for each \$100 of the value of the conveyance. The county retains 20 percent of the fees collected and transmits the remainder to the state. This bill decreases the real estate transfer fee to 20 cents for each \$100 of the value of the conveyance. Under the bill, 30 percent of the fees collected are deposited into the general fund, 20 percent of the fees are deposited into the land information fund, and the county retains 50 percent of the fees.

Under current law, total real estate transfer fee revenues are estimated at \$120.20 million in FY 2025, \$137.51 million in FY 2026, and \$142.59 million in 2027. The current law total is split at 80 percent for the state and 20 percent retained by the county with the following GPR/County revenues: \$96.16 million/\$24.04 million in FY 2025, \$110.01 million/\$27.50 million in FY 2026, and \$114.07 million/\$28.52 million in FY 2027.

Under the bill, based on a FY 2026 effective date, total real transfer revenue decreases by \$45.84 million in FY 2026 to \$91.68 million and decreases by \$47.53 million in FY 2027 to \$95.06 million. GPR revenue decreases by \$82.51 million to \$27.50 million in FY 2026 and decreases \$85.55 million in FY 2027 to \$28.52 million. The county retained portion increases by \$18.34 million in FY 2026 to \$45.84 million and increases by \$19.01 million in FY 2027 to \$47.53 million. Under the bill, the land information fund would receive revenue of \$18.34 million in FY 2026 and \$19.01 million in FY 2027.

The department cannot absorb \$110,800 in one-time computer programming costs and \$36,900 in annual auditing costs increases for processing the additional rates in all systems.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2025 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> the amount and distribution of the real estate transfer fee, grants under the land information program, real property recording notification systems, and making an appropriation		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$110,800 for computer programming		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$36,900	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$36,900</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	36,900	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$-82,510,400
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-82,510,400</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$36,900	\$
NET CHANGE IN REVENUE	\$-82,510,400	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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