

RESOLUTION

ROCK COUNTY BOARD OF SUPERVISORS

Sandra Disrud, Register of Deeds
INITIATED BY



3/13/2023
DATE DRAFTED

Requesting State of Wisconsin to Revise the Real Estate Transfer Fee Revenue Sharing Formula

WHEREAS, the collection of a real estate transfer fee by counties was mandated by the State of Wisconsin in 1969, and included a requirement that counties remit 50% of all transfer fees collected to the State; and

WHEREAS, in 1981 the State changed the transfer fee formula to require counties to remit 80% of all transfer fees collected to the State; and

WHEREAS, the County, through the Register of Deeds Office, assumes the annual operating costs of recording all real estate transfers occurring in each County, including the collection of real estate transfer fees; and

WHEREAS, Rock County real estate transfer fee collections over the past five years totaled \$13,566,086, of which the County retained \$2,713,217 and \$10,852,869 was remitted to the State; and

WHEREAS, using a 50/50 split, the County's share of fees collected on local real estate transfers during that same five-year period would have provided an additional \$4,069,826 in support of local government; and

WHEREAS, in 2021 the State of Wisconsin has built up a budget surplus of approximately \$2.5 billion dollars, while many Wisconsin counties continue to struggle financially due to the ever-increasing costs of providing county government services in an inflationary economy and providing services for increasing unfunded state-mandated programs along with the financial restrictions imposed by State imposed levy limits.

NOW, THEREFORE, BE IT RESOLVED that the Rock County Board of Supervisors duly assembled this 23rd day of March, 2023 does hereby support a revision to the real estate transfer fee share formula to again allow Wisconsin Counties to retain 50% of all real estate transfer fees collected, with 50% to be remitted to the State.

FISCAL NOTE:

No fiscal impact in and by itself.

Sherry Oja
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to §§ 59.01 & 59.51, Wis. Stats.

Richard Greenlee
Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended.

Josh Smith
County Administrator

Committee Action

County Board Staff Committee

County Board Staff Committee recommended this resolution for approval by a unanimous voice vote.

Finance Committee

Finance Committee recommended this resolution for approval by a unanimous voice vote.

EXECUTIVE SUMMARY

Requesting the State of Wisconsin to Revise the Real Estate Transfer Fee Revenue Sharing Formula

This resolution requests the State to revise the current Real Estate Transfer Fee formula as it has been 41 years since any changes have been made to the rate or division of fees.

The Register of Deeds (ROD) offices collect and process all transfer returns and fees for the Wisconsin Dept. of Revenue (WDOR).

Current statutes dictate the transfer fees we collect and how those fees are split:

Wis. Stats. 77.22(1) – transfer fee imposed at the rate of 30 cents for each \$100 of value.

Wis. Stats. 77.24 - the division of fees between the county (20%) and state (80%).

There have been two division of fees since the WDOR started collecting them in 1969:

October 1969 - August 1981; \$1.00 per \$1,000 of real estate, split 50/50

September 1981 - Present; \$3.00 per \$1,000 of real estate, split 80/20

The ROD offices work directly with the public and our business partners on a daily basis, at our counters, on the phone and through email correspondence. The ROD offices educate the public and our business partners on how to access and navigate the WDOR site and the electronic transfer receipt that is required with any conveyance document. The ROD offices check each receipt for accuracy and collect any transfer fees that are due at the time the document is presented for recording.

In 2021, the State of Wisconsin built up a \$2.5 billion budget surplus.

Any additional increase to the division of fees above the 20% as required in ss. 77.24 would result in more money going back to the county.

Any increase to the division of fees above the 20% would help support our constituents, county budgets, services and programs.

Any increase to the division of fees would not incur any additional costs to the public or our business partners during the recording process.

This example shows the difference in fees collected and splits based on a sale of \$100,000.00:

	<u>Transfer Fee collected</u>	<u>State Share</u>	<u>County Share</u>
.1% Prior to Aug. 1981	\$100.00	\$50.00 (50%)	\$50.00 (50%)
.3% After Sept. 1981	\$300.00	\$240.00 (80%)	\$60.00 (20%)
Difference	\$200.00	\$190.00	\$10.00

Here are the fees Rock County has collected over the last 5 years. These numbers show the difference between the current division of fees at 80/20 and a 50/50 split.

Rock Transfer Fee Collected		Current Split		Proposed 50/50 Split		Difference
		State Share 80%	County Share 20%	State Share 50%	County Share 50%	
2018	2,307,250	1,845,800	461,450	1,153,625	1,153,625	692,175
2019	2,274,985	1,819,988	454,997	1,137,493	1,137,493	682,496
2020	2,856,131	2,284,905	571,226	1,428,065	1,428,065	856,839
2021	3,088,572	2,470,857	617,714	1,544,286	1,544,286	926,572
2022	3,039,149	2,431,319	607,830	1,519,574	1,519,574	911,745
	13,566,086	10,852,869	2,713,217	6,783,043	6,783,043	4,069,826

Avg 542,643

Avg 1,356,608