



SF 604 – Probate Fees (LSB1455SZ)

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Fiscal Note Version – New (Same as Fiscal Note for [SF 327](#))

Description

[Senate File 604](#) relates to the court costs that the clerk of probate court charges and collects in connection with probate matters. The Bill provides that the clerk of court shall charge and collect court costs based on the probate assets listed in the report and inventory for services performed in a decedent's estate administered by Iowa Code chapter [633](#) or [635](#). The court costs charged on the value of those assets shall be 0.2% of the value of the probate assets. In addition, the Bill excludes all nonprobate assets from the calculation of court costs.

[Senate File 604](#) also provides that court costs shall not be charged or collected on assets transferred to an estate from a conservatorship that had been administered in the State and for which court costs have previously been charged and collected in the conservatorship. For other services performed in a conservatorship, the clerk shall charge and collect court costs based on the gross value of the assets listed in the inventory minus the value of the life insurance. The Bill provides that the court costs charged on the value of those assets shall be 0.2% of the value of the assets.

[Senate File 604](#) takes effect January 1, 2020. The Bill applies to conservatorships, court-administered trusts, guardianships, and estates of decedents for which the petition is filed and other probate matters in which filings are made and actions are taken on and after January 1, 2020.

Background

Under current law, Iowa Code section [633.31\(2\)\(k\)](#) provides a sliding scale fee for services performed in connection with the settlement of an estate based upon the value of the estate. The probate fees collected by clerks of court are deposited in the State General Fund pursuant to Iowa Code section [602.8108](#). Currently, the value of the assets may include both probate and nonprobate assets for the purpose of calculating court costs.

Assumptions

- The removal of nonprobate assets will reduce the overall estate value subject to fees pursuant to Iowa Code section [633.31\(2\)\(k\)](#) by an average of 50.0%, reducing revenue by 50.0%.
- From FY 2015 to FY 2018, the revenue from fees charged pursuant to Iowa Code section [633.31\(2\)\(k\)](#) decreased by a total of 4.0%, an average decline of 1.33% per year. In FY 2018, \$12.3 million was collected in fees on the estate value. This analysis assumes revenues will decline by 1.33% each year starting in FY 2019.

Fiscal Impact

[Senate File 604](#) is estimated to reduce fee revenue to the General Fund by approximately \$3.0 million in FY 2020 and \$5.9 million in FY 2021. The following table shows the estimated fiscal impact of [SF 604](#) beginning on January 1, 2020, through FY 2023.

**SF 604 — Estimated Change in Probate Fee Revenue
State General Fund**

	FY 2020	FY 2021	FY 2022	FY 2023
SF 604	\$ 8,964,311	\$ 5,896,724	\$ 5,818,297	\$ 5,740,914
Current Law	11,952,414	11,793,447	11,636,595	11,481,828
Estimated Reduction	<u>\$ -2,988,103</u>	<u>\$ -5,896,723</u>	<u>\$ -5,818,298</u>	<u>\$ -5,740,914</u>

Sources

Judicial Branch
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.