

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 99-4203/1
INTRODUCTION # AB 790
Admin. Rule #

Subject
 Aid Payment Reflecting Phase-In of Agricultural Use Value

Fiscal Effect

- State:** No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation
- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation
- Increase Costs - May be Possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory
3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory
5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.835 (1) (ed)

Assumptions Used in Arriving at Fiscal Estimate:

This bill creates a new state aid payment equal to the property tax levy on the difference in the equalized value of agricultural land assuming a 10-year phase-in of use values was carried out versus the equalized value of agricultural land at full use value. The first payment would be made in 2001 and the last payment in 2007. The payment would be made on the first Monday in July in the year following the setting of the equalized values.

The 2001 payment would use equalized values for 2000 (effectively the difference in agricultural land value between use value 30% phased-in and use value 100% phased-in). Based on the department's use values for 2000, this difference is estimated to be about \$2.1 billion.

The payments would be made to municipalities, counties, school districts, and technical college districts. It is assumed that most of the aid payments would be made because of land in towns. Assuming that average tax rates in towns for 1999/2000 are indicative of the rates for 2000/01, the total estimated payment in 2001 will be about \$39.5 million, as shown below:

Taxing jurisdiction	Full value on which aid payment based	Estimated tax rate (\$ per \$1000 full value) in towns	Estimated aid payment
School districts	\$ 2.1 billion	10.00	\$ 21,000,000
Technical colleges	2.1 billion	1.56	3,276,000
Counties	2.1 billion	4.79	10,059,000
Towns	2.1 billion	2.44	5,124,000
Total	2.1 billion	18.79	39,459,000

(continued on page two)

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Daniel P. Huegel, (608) 266-5705	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	3/8/00

FISCAL ESTIMATE FORM

AB 790 (LRB 4203/1)

Page 2

Assuming that tax rates remain at current levels and that use values remain steady in the coming years, payments in 2002 to 2007 will gradually decline as the value difference on which the payment is based declines. Projected payments for 2002 to 2007 are: 2002, \$33.9 million; 2003, \$28.3 million; 2004, \$22.7 million; 2005, \$17.1 million; 2006, \$11.5 million, and 2007, \$5.9 million. Actual payments in these years could differ due to changes in use valuations or changes in tax rates.

Total payments for 2001 to 2007 are estimated to be \$158.9 million.

The department will incur one-time costs of \$8,400 for equipment and continuing costs of \$29,500 per year to administer the payment.

YTB
3/8/00

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 99-4203/1
INTRODUCTION # AB 790

Admin. Rule #

Subject
Aid Payment Reflecting Phase-In of Agricultural Use Value

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

One-time cost of \$8,400 for equipment

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringe		\$ 25,000	\$ -
(FTE Position Changes)		(0.5 FTE)	(- FTE)
State Operations-Other Costs		4,500	-
Local Assistance	FY 2001	39,500,000	-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$ 39,529,500	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$ 39,529,500	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 39,529,500	\$
NET CHANGE IN REVENUES	\$	\$

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Daniel P. Huegel, (608) 266-5705	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	3/8/00