

Fiscal Estimate Narratives

DPI 10/6/2003

LRB Number	03-3194/2	Introduction Number	AB-542	Estimate Type	Original
Subject					
Revenue limit: allow 100% carryover of unused revenue limit authority					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, if a school district's revenue in any school year is less than the amount of revenue that the school district is allowed under the revenue limit formula, the school district's revenue limit in the succeeding school year is increased by 75 percent of the difference between its actual revenue and the amount of revenue allowed. This bill allows a school district to carry forward 100 percent of the difference instead of 75 percent.

The actual current law total revenue limit carryover from 2001-02 to 2002-03 (the most current data available) was \$4,137,010. If this bill had been in effect and all districts were allowed 100 percent carryover, the amount would have been \$5,513,448, an increase of \$1,376,438.

State Fiscal Effect

This bill would have no state fiscal effect since the state general equalization aid appropriation is not dependent on the amount of school district revenue limit authority.

Local Fiscal Effect

Any additional revenue limit authority permitted under this bill could be, but is not required to be, used by school districts. Since no additional state general school aid would be generated by the bill, any utilized additional revenue limit authority would increase the local school district tax levy on property tax payers. It is not possible to determine how many school districts would generate additional revenue limit authority under the bill in any given year, nor how many of those districts would then choose to utilize the additional revenue limit authority. Thus, the local fiscal effect is indeterminate.

Long-Range Fiscal Implications