

### Fiscal Estimate - 2005 Session

Original       Updated       Corrected       Supplemental

LRB Number **05-4649/1**      Introduction Number **AB-1175**

**Description**  
Use of the proceeds from the sale of real property located in the city of Milwaukee and used for school purposes

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

|   |   |  |
|---|---|--|
| <input type="checkbox"/> Increase Existing Appropriations | <input type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Decrease Existing Appropriations | <input type="checkbox"/> Decrease Existing Revenues |  |
| <input type="checkbox"/> Create New Appropriations        |   | <input type="checkbox"/> Decrease Costs  |

**Local:**

No Local Government Costs  
 Indeterminate

|  |  |   |
|--|--|---|
| 1. <input type="checkbox"/> Increase Costs                             | 3. <input type="checkbox"/> Increase Revenue                           | 5. Types of Local Government Units Affected<br><input type="checkbox"/> Towns <input type="checkbox"/> Village <input checked="" type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input 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 |   |

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR    FED    PRO    PRS    SEG    SEGS

|  |  |                          |
|--|--|--------------------------|
| <b>Agency/Prepared By</b><br>DOR/ Daniel Huegel (608) 266-5705 | <b>Authorized Signature</b><br>Paul Ziegler (608) 266-5773 | <b>Date</b><br>4/18/2006 |
|--|--|--------------------------|

## Fiscal Estimate Narratives

DOR 4/18/2006

|  |           |                     |         |               |          |
|--|-----------|---------------------|---------|---------------|----------|
| LRB Number   | 05-4649/1 | Introduction Number | AB-1175 | Estimate Type | Original |
| <b>Description</b><br>Use of the proceeds from the sale of real property located in the city of Milwaukee and used for school purposes |           |                     |         |               |          |

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, when property located in the City of Milwaukee used for school purposes is sold, proceeds from the sale must be deposited in the school construction fund and applied toward the purchase of real property for school purposes.

Under the bill, proceeds of such a sale can also be applied to the payment of principal on any bonds issued by the city's redevelopment authority which were issued to finance school facilities.

To the extent that school property is sold and the proceeds used to pay principal on outstanding bonds, principal and interest payment in future years could be lower than under current law. The Department of Revenue does not have information concerning the level of school property sales in Milwaukee, and is therefore unable to reasonably estimate the potential decrease in debt service costs this bill could engender.

### Long-Range Fiscal Implications