

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-0932/1		Introduction Number AB-293	
Subject Allow counties to participate in municipal revenue sharing			
Fiscal Effect			
State:			
<input checked="" type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<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	
5. Types of Local Government Units Affected			
<input checked="" type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By DOR/ Joshua Dukelow (608) 266-5516	Authorized Signature Dennis Collier (608) 266-5773	Date 12/3/2004	

Fiscal Estimate Narratives

DOR 4/4/2005

LRB Number	05-0932/1	Introduction Number	AB-293	Estimate Type	Original
Subject					
Allow counties to participate in municipal revenue sharing					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, any municipality (town, village, or city) may enter into an agreement to share revenues from taxes or special charges with another municipality or with a federally recognized American Indian tribe or band. Municipalities that wish to enter into a revenue sharing agreement must be contiguous. The agreement must also: (a) be for a minimum of 10 years, (b) describe the boundaries of the area in which revenues will be shared, (c) describe how the revenues to be shared are calculated, (d) specify the dates on which payments will be made, and (e) specify how the agreement may be allowed to terminate after the initial 10-year term.

Under the bill, counties would be added to the list of governmental units allowed to enter into revenue sharing agreements. Current restrictions on whom a governmental unit can enter an agreement with and requirements on what the agreements must contain will apply to counties.

According to the Department of Revenue's 2004 Area Cooperation Compact Survey, an estimated 120 agreements have been established in which two or more units of government have entered into cooperative agreements for the provision of government services. The most common activity provided for in the agreements is fire service, followed by emergency services. Other activities include recycling, libraries, public transportation and human services. This survey of 460 municipalities had an 80% response rate, and this estimate is based on the information provided by the responding municipalities.

However, this survey does not indicate the extent to which municipalities have revenue sharing agreements with other municipalities, nor how much revenue is being shared. It is therefore not possible to reasonably estimate the additional revenue that could be shared if counties are also permitted to enter into such agreements.

Long-Range Fiscal Implications