

Fiscal Estimate Narratives

DOR 1/24/2006

LRB Number	05-4172/1	Introduction Number	SB-510	Estimate Type	Original
Description Repealing reporting requirements related to area cooperation compacts					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a municipality in a federal standard metropolitan statistical area (SMSA) must enter into an area cooperation compact with at least two municipalities or counties in the same SMSA to perform at least two governmental services. An area cooperation compact must provide a plan for the collaborative delivery of services, benchmarks to measure plan progress, and outcome-based performance measures to evaluate the plan. In addition, the compacts must be structured to achieve significant savings for taxpayers. A municipality subject to the law must annually certify to the Department of Revenue that they are in compliance with the law. The Legislative Audit Bureau must annually prepare a report on the performance of area cooperation compacts and submit copies to the chief clerk of the Assembly and Senate.

Under the bill, the annual compliance certification by municipalities to the Department of Revenue and the preparation of an annual report by the Legislative Audit Bureau on area cooperation compacts are repealed.

The repeal of the annual compliance certification would reduce costs to the Department of Revenue by a minimal amount, primarily related to postage and processing of returned reports.

For municipalities, the repeal would reduce costs by a small amount. Municipalities would, however, still be required to enter into cooperation agreements.

The effect of the bill on costs for the Legislative Audit Bureau are discussed in the fiscal note prepared by the Bureau.

Long-Range Fiscal Implications