

Fiscal Estimate Narratives

DOR 4/18/2006

LRB Number	05-4895/1	Introduction Number	SB-685	Estimate Type	Original
Description 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