

Fiscal Estimate Narratives

DOA 3/12/2014

LRB Number	13-3324/1	Introduction Number	AB-0756	Estimate Type	Original
Description State payments for municipal services and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

2013 AB 756 would require that the full amount of municipal service payments be paid to municipalities. Through municipal service payments, the state provides annual payments to reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities, which are exempt from property taxation. The Division of Intergovernmental Relations administers the municipal services payment program for all state-owned buildings, calculating the amount to be paid; making payments to municipalities from the appropriation under s. 20.835 (5) (a), Stats.; and assessing agencies for the municipal services paid for non-general purpose revenue supported buildings. The assessment made to the Department for buildings that it owns and operates is paid from s. 20.505 (5) (ka), Stats. 2013 Municipal Services Payments for Calendar Year 2014 Distribution (reflecting 2012 service costs, local revenues and property values), provided \$18,584,200 in payments. The amount represents 44.6% of total gross entitlements of \$41,647,069. AB 756 would provide that 100% of the total gross entitlement be paid.

AB 756 would result in an increase in the municipal services payments from the appropriation under s. 20.835 (5) (a), Stats. Based on the 2014 payment, the increase would be approximately 124.1%, or \$23,062,869. AB 756 would also result in an increase in state agencies assessments for municipal service payments for program revenue, program revenue-service and segregated revenue funded facilities. Based on the 2014 payment that increase would be \$11,850,716, from \$9,549,379 to \$21,400,095, and the source from which these costs would be paid by each agency is indeterminable, except for those paid by the Department. For buildings that are owned and operated by the Department of Administration, the increase would be program revenue-service and the amount of the increase would be \$1,471,095, from \$1,185,418 to \$2,656,513.

The increase in municipal services payments by the state to municipalities would increase revenue provided to municipalities in an amount commensurate with the increase in municipal services payments from the appropriation under s. 20.835 (5) (a), Stats, \$23,062,869.

The legislation provides for a change in the methodology for calculating municipal services payments. There would be no workload and fiscal impact on the Department resulting from this aspect of the change.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description State payments for municipal services and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$0	\$0	
(FTE Position Changes)	(0.0 FTE)	(-0.0 FTE)	
State Operations - Other Costs	0	0	
Local Assistance	23,062,869	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$23,062,869	\$0	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS	23,062,869		
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$23,062,869	\$0	
NET CHANGE IN REVENUE	\$	\$23,062,869	
Agency/Prepared By			
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		Date	
		3/12/2014	