

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-1848/1	Introduction Number AB-0368
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Description
 exceptions from local levy limits for public safety purposes

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs	<input checked="" type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	<input checked="" type="checkbox"/> Towns	<input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<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		

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/ Craig Steinfeldt (608) 266-5705	Authorized Signature Robert Schmidt (608) 266-5773	Date 6/13/2017
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Fiscal Estimate Narratives

DOR 6/13/2017

LRB Number	17-1848/1	Introduction Number	AB-0368	Estimate Type	Original
Description exceptions from local levy limits for public safety purposes					

Assumptions Used in Arriving at Fiscal Estimate

Current law establishes local levy limits for political subdivisions, defined as a city, village, town, or county. No political subdivision may increase its preceding year levy beyond its valuation factor (the percentage change in equalized value due to net new construction). Current law provides several levy limit exceptions, which include a resolution adopted by the governing body and approved by electors at referendum, debt service on general obligation debt, county levies for bridge and culvert construction, and county levies for public libraries.

The bill creates a new levy limit exception for the amount a political subdivision levies in that year for public safety purposes.

Fiscal Effect

The actual local fiscal effect is indeterminate as it is a permissive revenue increase. In 2015, county and municipal property tax levies were limited to \$4.601 billion under the applicable levy limits. Police, fire, and emergency medical service expenditures for county and municipal governments totaled \$2.52 billion in 2015—or 55 percent of the total county and municipal property tax levy limits. Under the bill, property taxes could increase to the extent counties and municipal governments utilize the additional levy limit authority, up to roughly \$2.52 billion based on 2015 data.

Municipal governments with a tax levy rate greater than 5 mills are eligible for the expenditure restraint program under s.79.05, provided the municipal budget for the year before payment has not increased over the prior year's budget by more than an inflation factor plus a valuation factor. The expenditure restraint program may limit qualifying municipal governments from increasing tax levies under the new exception unless they relinquish the aid payment. Funding for the expenditure restraint program is \$58.1 million on an annual basis.

This bill may increase revenue to tax incremental districts to the extent property tax rates in counties and municipalities increase. The department can absorb minimal administrative costs within existing budget authority.

Long-Range Fiscal Implications