

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-2146/1	Introduction Number AB-0420
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Description
 public annual reports of business improvement districts

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <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 type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input checked="" type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <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	

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Fiscal Estimate Narratives

DOR 7/5/2017

LRB Number	17-2146/1	Introduction Number	AB-0420	Estimate Type	Original
Description public annual reports of business improvement districts					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a municipality, defined as a city, village, or town, may create a business improvement district (BID) to promote the orderly development of the municipality. Current law requires an annual report describing the current status of the BID, along with an independent certified audit. A certified audit is also required upon the termination of a BID.

Under the bill, BIDs with a cash balance equal to or exceeding \$300,000 during the report period would be required to obtain a certified audit. For BIDs with cash balances under \$300,000 at all times during the report period, the municipality would only need a reviewed financial statement. The financial statement must be prepared in accordance with generally accepted accounting principles. The bill also requires a certified audit upon the termination of the BID, regardless of the cash balance. Beginning after December 31, 2018, the dollar amount at which a municipality must obtain a certified audit or reviewed financial statement is increased by the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and August 2017.

The fiscal estimate is indeterminate as the department does not collect financial data on BIDs. The bill could reduce municipal government expenditures to the extent that a financial review of an eligible BID costs less than a certified audit.

Long-Range Fiscal Implications