

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 17-3670/1	<b>Introduction Number</b> SB-336
<b>Description</b> public annual reports of business improvement districts	
<b>Fiscal Effect</b>	
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                             </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                             </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="text-align: center; margin-left: 50px;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                                 </div> <input type="checkbox"/> Decrease Costs                             </div> </div>	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">                     1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      2. <input checked="" type="checkbox"/> Decrease Costs  <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 30%;">                     3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 30%;">                     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                 </div> </div>	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Agency/Prepared By</b> DOR/ Craig Steinfeldt (608) 266-5705	<b>Authorized Signature</b> Robert Schmidt (608) 266-5773
<b>Date</b> 6/28/2017	

## Fiscal Estimate Narratives

DOR 6/28/2017

LRB Number	<b>17-3670/1</b>	Introduction Number	<b>SB-336</b>	Estimate Type	<b>Original</b>
<b>Description</b> 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