

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-3403/1	Introduction Number SB-291
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Description
 holding a referendum to increase a political subdivision's levy limit

Fiscal Effect

State:

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

Local:

<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <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	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<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 6/28/2019
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Fiscal Estimate Narratives

DOR 6/28/2019

LRB Number	19-3403/1	Introduction Number	SB-291	Estimate Type	Original
Description holding a referendum to increase a political subdivision's levy limit					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, with certain exceptions, no political subdivision may increase its property tax levy in any year by a percentage that exceeds the valuation factor, which is the percentage equal to the greater of either the percentage change due to net new construction or zero percent. The referendum levy exception allows a political subdivision to increase its levy limit beyond the valuation factor by adopting a resolution and having the increase approved by voters. Current law prescribes the exact wording of the ballot question and when elections can occur: a political subdivision may call a special referendum to consider the question in an odd-numbered year, while holding the referendum at the next spring primary or election or partisan primary or election in an even-numbered year.

Under the bill, a political subdivision may use its best estimate of its valuation factor based on the most current data available. The political subdivision may call a special referendum to consider the resolution. Otherwise, the referendum would be held at the spring primary or election or partisan primary or general election. The referendum question must include specific information, such as the political subdivisions name to which the levy increase applies, the purpose for which the increase will be used, and levy increase percentage and amount.

There is no local fiscal effect as the bill does not substantially change the referendum levy exception. Referendum levy exceptions averaged 2 each year between 2014 and 2017, with an increase to 13 in 2018. The average referendum levy exception was approximately \$201,800 between 2014 and 2017, with an average of \$423,600 in 2018.

Long-Range Fiscal Implications