

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>19-4565/1</b>	Introduction Number <b>SB-881</b>
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**Description**  
 claims by and treatment of wrongfully imprisoned persons and making an appropriation

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate  
 Increase Existing Appropriations     
  Increase Existing Revenues  
 Decrease Existing Appropriations     
  Decrease Existing Revenues  
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget  
 Yes       No  
 Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	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	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
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" 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>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Bradley Caruth (608) 261-8984	Michael Oakleaf (608) 261-5173	3/6/2020

**Fiscal Estimate Narratives**  
**DOR 3/6/2020**

LRB Number <b>19-4565/1</b>	Introduction Number <b>SB-881</b>	Estimate Type <b>Original</b>
<b>Description</b> claims by and treatment of wrongfully imprisoned persons and making an appropriation		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, the Wisconsin Claims Board is directed to hear petitions for compensation by persons who are released from imprisonment for crimes of which they claim to be innocent. Based on the board's findings it may compensate claimants in an amount up to \$5,000 per year of imprisonment or a maximum of \$25,000, whichever is less. For amounts exceeding the maximum, the board may submit its recommendation for additional compensation to the state legislature.

This bill increases the amount that the board may authorize for compensation to \$50,000 per year, prorated daily, with a \$1 million limit on the total amount of the award. It also indexes the per year maximum amount for inflation using the U.S. Consumer Price Index. If a court acts to release a person from prison, the person may petition the court for a financial assistance award not to exceed 133 percent of the federal poverty level for up to 14 months, or while the proceedings of the Wisconsin Claims Board are pending. The board is required to subtract financial assistance awards from the amount that it would otherwise award.

Under the bill, payments made to an individual, or the individual's estate, from the Claims Board, or from the state legislature as a result of claims board action are exempt from taxation. The financial assistance awards are also exempt from taxation.

The bill also provides for individuals to receive health care coverage, a portion of which is paid by the state. The amount paid to the individual by the state for health insurance premiums is also exempt from taxation.

Records from the Claims Board decisions from 2015 to 2019 show two cases in which individuals received a total of \$73,700 under current law, or an average of \$14,740 per year. Adjusting for the higher compensation rates under the bill, average annual compensation could have been as high as \$231,000.

Under 2017 Wisconsin Act 59, as part of updating state Internal Revenue Code references, the state adopted a federal exclusion from income related to wrongful convictions. This bill does not provide a double benefit for that compensation, but does allow a deduction to the extent that the Wisconsin exclusion exceeds the federal exclusion. In general, payments are already exempt under current law, so provision will produce a minimal general purpose revenue loss (primarily due to the exclusion related to health insurance premiums).

Costs to administer this bill are minimal and can be absorbed by the Department.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 19-4565/1		<b>Introduction Number</b> SB-881	
<b>Description</b> claims by and treatment of wrongfully imprisoned persons and making an appropriation			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$See Text	\$
<b>Agency/Prepared By</b>			
DOR/ Bradley Caruth (608) 261-8984		<b>Authorized Signature</b>	
		Michael Oakleaf (608) 261-5173	
			<b>Date</b>
			3/6/2020