

**Fiscal Estimate - 2021 Session**

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 21-1654/1	<b>Introduction Number</b> AB-0111	
<b>Description</b> decreasing shared revenue payments to municipalities based on decreased funding for law enforcement officers		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b>		
<input type="checkbox"/> No Local Government Costs <input checked="" 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"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</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 <div style="float:right;"><b>Affected Ch. 20 Appropriations</b></div>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOR/ Craig Steinfeldt (608) 266-5705	Jamie Adams (608) 266-6785	2/26/2021

## Fiscal Estimate Narratives

DOR 2/26/2021

LRB Number	21-1654/1	Introduction Number	AB-0111	Estimate Type	Original
<b>Description</b> decreasing shared revenue payments to municipalities based on decreased funding for law enforcement officers					

### Assumptions Used in Arriving at Fiscal Estimate

Under the bill, if in any year a municipality decreases the amount of its municipal budget dedicated to hiring, training, and retraining law enforcement officers so that it is less than the amount dedicated to that purpose in the previous year, the municipality will receive a county and municipal aid payment that is reduced by the amount of that decrease. The amount of the reduced payment that the municipality receives becomes the amount of the county and municipal aid that the municipality will receive in subsequent years. The bill provides that the amount of all such reductions will be distributed to the municipalities that did not reduce their law enforcement budgets in proportion to each municipality's share of the total amount of county and municipal aid payments.

The fiscal estimate is indeterminate as the department does not have law enforcement budget data available for municipal governments. However, comparing law enforcement expenditures as reported through the Municipal Finance Report (MFR) yields the following comparisons. Comparing 2017 and 2018 MFR data finds that 253 municipalities reported lower law enforcement expenditures totaling -\$4,573,200. Overall expenditures for 2018 (1,210,695,600) were \$27,703,800 more compared with 2017 (\$1,182,991,800). Comparing 2018 and 2019 data finds that 253 municipalities reported lower law enforcement expenditures totaling -\$13,137,500. Overall expenditures for 2019 (\$1,226,899,800) were \$16,204,200 more compared with 2018 (\$1,210,695,600). Levy limits are a likely factor in the declining law enforcement expenditures as municipalities with decreases have a smaller average increase in net new construction.

With regards to administrative costs, the department cannot absorb one-time programming costs of \$108,900 and annual operating costs of \$6,400.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

<b>LRB Number</b> 21-1654/1	<b>Introduction Number</b> AB-0111	
<b>Description</b> decreasing shared revenue payments to municipalities based on decreased funding for law enforcement officers		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$108,900		
<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)	\$6,400	\$
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$6,400</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	6,400	
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	\$6,400	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b> DOR/ Craig Steinfeldt (608) 266-5705		
<b>Authorized Signature</b> Jamie Adams (608) 266-6785		<b>Date</b> 2/26/2021