

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-6241/1	Introduction Number SB-1092
Description supplemental municipal aid and making an appropriation	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" 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 checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" 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 5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
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 Jamie Adams (608) 266-6785
Date 3/22/2022	

Fiscal Estimate Narratives

DOR 3/22/2022

LRB Number	21-6241/1	Introduction Number	SB-1092	Estimate Type	Original
Description supplemental municipal aid and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill provides annual supplemental municipal aid payments to certain municipalities. A municipality is eligible to receive a payment under the bill if the three-year average of the municipality's per capita equalized property value due to new construction, less improvements removed from the property tax base, is less than the median average three-year per capita equalized value due to new construction less improvements removed for all municipalities. The total amount of all such annual payments is \$100,000,000. Each eligible municipality receives a payment on the basis of its three-year average equalized value and its three-year average population. No municipality may receive an annual payment that is greater than an amount equal to the following: 10 percent of the city's property tax levy, 20 percent of the village's property tax levy, and 30 percent of the town's property tax levy.

Under the bill, payments would begin in 2023 with estimated payments provided in October 2022. Based on property tax data for 2021-22, 2020-21, and 2019-20, the department estimates the state fiscal effect at \$96,136,800 for FY 2024. 254 municipalities would have payments reduced since their calculated payment exceeded the bills limitations, with reductions estimated at \$3,863,200. The municipal breakdown for the estimate is as follows: 557 towns would receive payments totaling \$20,533,200, 261 villages would receive payments totaling \$12,386,700, and 107 cities would receive payments totaling \$63,136,800. The average payments were \$36,900 for towns, \$47,500 for villages, and \$590,900 for cities.

The department cannot absorb one-time administrative costs of \$452,400 and ongoing costs of \$19,400 for computer programming and payment administration.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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Description supplemental municipal aid and making an appropriation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
\$452,400		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes (FTE Position Changes)	\$19,400	\$
State Operations - Other Costs		
Local Assistance	96,136,800	
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$96,156,200	\$
B. State Costs by Source of Funds		
GPR	96,156,200	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$96,156,200	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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