


<b>1999 Session</b>		LRB Number <b>-3758/2</b>
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)		Bill Number <b>AB 754</b>
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable
<b>Subject</b>  <b>Disposition of property taxes attributable to railroad repair facilities.</b>		Administrative Rule Number
<b>Fiscal Effect</b> State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input checked="" type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
Local: <input type="checkbox"/> No local government costs		
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 checked="" type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Villages <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <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 checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>Affected Chapter 20 Appropriations</b> s.20.855 (4) (q)
<b>Assumptions Used in Arriving at Fiscal Estimate</b>  <p>Under current law, a State-collected tax is levied on Wisconsin portion of the value of railroad companies in lieu of local property taxes. The gross proceeds of this railroad "ad valorem" tax are deposited in the Transportation Fund. DOR is required to establish a value for certain specific types of railroad property, separately from its assessment of the value of the railroad company as a whole. The taxes associated with this separately valued property are returned to municipalities in which the property is located. This "terminal tax distribution" is made from a sum-sufficient appropriation from the Transportation Fund. In combination, the contribution of railroad revenues to the Transportation Fund is the net difference between the "gross" railroad tax revenues collected and the terminal tax distribution.</p> <p>This bill would add additional property to the list of types of property for which DOR must establish a separate valuation and for which the taxes would be forwarded to municipalities.</p> <p>The level of taxes paid by railroads would not change; however, payments under the terminal tax distribution would increase by an estimated \$46,000 to \$100,000. As a result, net revenues available for appropriation from the Transportation Fund would be reduced compared to current law.</p> <p>The bill first applies to railroad property assessments for CY 2000. This would increase the terminal tax distribution payment beginning in FY 2000-01.</p> <p>DOR estimates that ad valorem taxes attributable to one large railroad repair facility located in North Fond du Lac would have been approximately \$46,000 in 1999. Based on the definition of "repair facility" included in the bill and contacts with railroads operating in Wisconsin, DOT believes that facilities in Janesville, Altoona, Green Bay, and Stevens Point may also meet the definition (as well as the facility in N. Fond du Lac). The range is based on uncertainty about the attributes and valuation of these other facilities.</p>		
<b>Long-Range Fiscal Implications</b> Has a prospective effect on the Transportation Fund (decreasing future net available revenues and increasing the automatic transfer to municipalities) as the value of railroad property increases, or in the event that additional railroad repair facilities are located in Wisconsin. Discussions about establishing a Midwest Regional Passenger Rail network have raised the possibility of locating a new maintenance facility in the region, possibly in Wisconsin.		
<b>Prepared by:</b> Mark Mansfield	<b>Telephone No.</b> 266-1876	<b>Agency</b> DOT
<b>Authorized Signature:</b> 	<b>Telephone No.</b> 267-9618	<b>Date</b> 1-21-00

**FISCAL ESTIMATE WORKSHEET**

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R06/99)

LRB Number -3758/2	Amendment No. if Applicable
Bill Number AB 754	Administrative Rule Number

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**Subject**

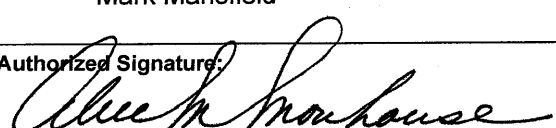
**Disposition of property taxes attributable to railroad repair facilities.**

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
A. State Costs by Category		Increased Costs	Decreased Costs
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		( FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance (tax transfer)		\$46,000 to \$100,000	-
Aids to Individuals or Organizations			-
<b>TOTAL State Costs by Category</b>		<b>\$46,000 to \$100,000</b>	<b>\$ -</b>
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S		\$46,000 to \$100,000	-
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	** Existing taxes and fees not affected but effect is net reduction in available Transportation Fund revenues.		- \$46,000 to \$100,000 **
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$ - \$46,000 to \$100,000 **</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 46,000 to 100,000 _____	\$ + 46,000 to 100,000 _____

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