

Fiscal Estimate Narratives

DOR 3/27/01

LRB Number 01-2717/1	Introduction Number AB-230	Estimate Type Original
Subject Use of county shared revenue payments		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a county can use its state shared revenues payment for any legal purpose as specified by the county board. Counties generally treat state shared revenues as a general purpose revenue to help offset the local share of all county government costs.

Under the bill, a county would be required to earmark its state shared revenue payments to offset the local share of the cost of probation and parole holds in county jails, circuit courts, and youth services. Any funds remaining could then be used to offset costs that would otherwise be funded from property taxes.

The earmarking of county shared revenues for specific spending programs will have no effect on county property taxes. This earmarking will merely shift the need for property taxation from the services funded with shared revenue to services not so funded.

For payments in 2001, total state shared revenue payments to counties is expected to be about \$189.7 million versus a total county property tax levy for 2000/01 of about \$1.316 billion.

Long-Range Fiscal Implications