Fiscal Estimate - 2003 Session

Original Updated	Corrected Supplemental					
LRB Number 03-3663/1	Introduction Number SB-341					
Subject Allow towns to receive taxes from land annexed by a city or village						
Fiscal Effect						
Appropriations Rev	ease Existing renues Increase Costs - May be possible to absorb within agency's budget renues Yes No Decrease Costs					
Local: No Local Government Costs Indeterminate 1. ☐ Increase Costs Permissive ☐ Mandatory 2. ☐ Decrease Costs 4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Permissive ☐ Mandatory ☐ Districts ☐ Counties ☐						
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS						
Agency/Prepared By	Authorized Signature Date					
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Fiscal Estimate Narratives DOA 1/6/2004

LRB Number 0	3-3663/1	Introduction Number	SB-341	Estimate Type	Original	
Subject						
Allow towns to receive taxes from land annexed by a city or village						

Assumptions Used in Arriving at Fiscal Estimate

While the specific costs of paying over five years an amount equal to town taxes will vary by the areas actually annexed and the town tax rates, some research provides information on the dimension of the cost of this proposal.

The Department of Revenue maintains data on the increase and decrease of valuation due to annexations. For 2002, the last year that data is available the decrease in valuation attributed to annexation was \$106 million. For this estimate it is assumed this is town valuation. The Wisconsin Bluebook shows that in 2001 the state average full value tax rate was \$22.54 per \$1,000. While many jurisdictions may be under and some above, using the average gives a sense of dimension to the effect. Thus, the calculated number would be approximately \$2.4 million annually. So the potential effect could be estimated in the range of \$2 million to \$2.5 million annually that would be paid by villages and cities to towns.

This estimate also assumes no other state aid formulas are adjusted to reflect these added costs to cities and villages or for the added revenues to towns.

Long-Range Fiscal Implications

Ongoing costs. The \$2 million estimate above, spread over five years would be \$10 million. New and ongoing annexations over a period would add increments each year.