

Fiscal Estimate Narratives
LFB 8/12/2003

| | | |
|---|-----------------------------------|-------------------------------|
| LRB Number 03-3097/3 | Introduction Number AB-466 | Estimate Type Original |
| Subject Levy limits for municipalities, counties, and technical college districts, and school district revenue limits | | |

Assumptions Used in Arriving at Fiscal Estimate

See Attachment

Long-Range Fiscal Implications

It is estimated that AB 466 would reduce property taxes raised by local governmental units as shown below.

| | Current Law 2003 Act 33 | | AB 466 | |
|---------------------------------------|----------------------------|----------------|----------------|----------------|
| | <u>2003-04</u> | <u>2004-05</u> | <u>2003-04</u> | <u>2004-05</u> |
| Gross Property Tax Levy (in millions) | \$7,893.6 | \$8,382.6 | \$7,558.9 | \$7,761.6 |
| Change to Current Law (Act 33) | | | -\$334.7 | -\$621.0 |

The estimated property tax reduction under AB 466 would affect the property tax rent credit, homestead tax credit, farmland preservation tax credit and computer aid payments as follows (in millions):

| | <u>2003-04</u> | <u>2004-05</u> |
|--|----------------|----------------|
| Property Tax Rent Credit (GPR-REV) | \$5.8 | \$11.2 |
| Homestead Tax Credit (GPR) | -1.8 | -3.2 |
| Farmland Preservation Tax Credit (GPR) | -0.8 | -1.1 |
| Computer Aid Payments (GPR) | -3.2 | -5.5 |

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
|--|--|--|---------------------|
| LRB Number 03-3097/3 | | Introduction Number AB-466 | |
| Subject | | | |
| Levy limits for municipalities, counties, and technical college districts, and school district revenue limits | | | |
| 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 funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes | | \$ | |
| (FTE Position Changes) | | | |
| State Operations - Other Costs | | | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | -9,800,000 |
| TOTAL State Costs by Category | | \$ | -\$9,800,000 |
| B. State Costs by Source of Funds | | | |
| GPR | | | -9,800,000 |
| 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 | | \$11,200,000 | \$ |
| GPR Earned | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| TOTAL State Revenues | | \$11,200,000 | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | State | Local |
| NET CHANGE IN COSTS | | -\$9,800,000 | \$ |
| NET CHANGE IN REVENUE | | \$11,200,000 | \$ |
| | | | |
| Agency/Prepared By | | Authorized Signature | Date |
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