

### Fiscal Estimate - 2003 Session

Original       Updated       Corrected       Supplemental

**LRB Number 03-3851/1**      **Introduction Number SB-458**

**Subject**  
 Allow counties to participate in municipal revenue sharing

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

Increase Existing Appropriations       Increase Existing Revenues  
 Decrease Existing Appropriations       Decrease Existing Revenues  
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget  
 Yes       No  
 Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

1.  Increase Costs      3.  Increase Revenue  
 Permissive  Mandatory       Permissive  Mandatory

2.  Decrease Costs      4.  Decrease Revenue  
 Permissive  Mandatory       Permissive  Mandatory

5. Types of Local Government Units Affected

Towns       Village       Cities  
 Counties       Others  
 School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR     FED     PRO     PRS     SEG     SEGS

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**Fiscal Estimate Narratives**

**DOR 2/19/2004**

LRB Number <b>03-3851/1</b>	Introduction Number <b>SB-458</b>	Estimate Type <b>Original</b>
<b>Subject</b> Allow counties to participate in municipal revenue sharing		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, any municipality (town, village, or city) may enter into an agreement to share revenues from taxes or special charges with another municipality or with a federally recognized American Indian tribe or band. Municipalities that wish to enter into a revenue sharing agreement must be contiguous. The agreements must also: (a) be for a minimum of 10 years, (b) describe the boundaries of the area in which revenues will be shared, (c) describe how the revenues to be shared are calculated, (d) specify the dates on which payments will be made, and (e) specify how the agreement may be allowed to terminate after the initial 10 year term.

Under the bill, counties would be added to the list of governmental units allowed to enter into revenue sharing agreements. Current restrictions on whom a governmental unit can enter an agreement with and requirements on what the agreements must contain will apply to counties.

Since municipalities are not required to register revenue sharing agreements with the department, it is unknown how many of these agreements are in existence or how much revenue is being shared. It is therefore not possible to reasonably estimate the additional revenue that could be shared if counties are also permitted to enter into such agreements..

**Long-Range Fiscal Implications**