

Fiscal Estimate Narratives

DPI 2/21/2006

LRB Number	05-4128/1	Introduction Number	AB-1022	Estimate Type	Original
Description Exempting a city, town, village, or school district from the county library tax					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a county board may levy a tax for the purpose of providing public library services to county residents. A city, town, village, or school district located in the county is exempt from the county tax if the city, town, village, or school district levies a tax for public library services at a rate that is equal to or greater than the county library tax rate. This bill excludes the amount levied by the county for public library capital expenditures when determining whether a city, town, village, or school district is exempt.

This section of the bill will have a very limited impact on public library expenditures, primarily because few counties provide support for municipal library capital projects. However, in counties that do support municipal library capital projects, this provision may allow a few communities to avoid raising local public tax support to the level of the county library levy that includes those capital expenditures. County library capital expenditures are often one-time and difficult to anticipate.

The bill also provides an exemption from the county library tax, if the county board approves, for a city, town, village, or school district that levies a tax for public library services, less the amount levied for public library capital expenditures, and spends for a library fund an amount that is not less than the average of the three previous years. For most libraries, the three year average level of support is far higher than the county library tax rate level. Very few municipalities would be interested in supporting their library at a levy rate lower than the county library levy rate. In addition, a newly established public library could request an exemption from the county library tax at any local funding level because the three previous years' funding would have been \$0. If granted this could lower the amount available for public library services within the county. However, it is unknown how many county boards would approve such an exemption.

Therefore, because of the reasons stated above, the local fiscal effect of this bill is indeterminate.

Long-Range Fiscal Implications