

Fiscal Estimate Narratives

DOR 11/23/2005

LRB Number	05-1203/7	Introduction Number	AB-756	Estimate Type	Original
Description The apportionment of law enforcement services costs among counties and municipalities and creating a police services levy limit for certain counties.					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the portion of the county property tax levy that supports county sheriff department patrol and investigative services is allocated to each municipality in the county on the basis of the percentage of the county's total equalized value (excluding tax incremental values) that lies in that municipality.

For purposes of allocating the portion of the county property tax levy for county sheriff department patrol and investigative services, the bill divides municipalities into the following three groups: (1) Upon written notification to the county board, a municipality with a population of 10,000 or more that has a police department which provides patrol and investigative services for 24 hours per day is exempt from the levy. A group of municipalities with an aggregate population of 10,000 or more is also exempt if they provide police patrol and investigative services for 24 hours a day through intergovernmental cooperation agreements, contracts for police protection, or by creating a joint police department. (2) For other municipalities with a police department, the levy is frozen at the amount imposed on the date the bill is enacted. (3) For the remaining municipalities, the levy is allocated to each municipality based on the percentage of the group's total equalized value (excluding tax incremental values) that lies in that municipality.

Based on data from county financial report forms filed with the Department of Revenue for 2003 (the latest year for which audited data are available), total expenditures for county sheriff department patrol and investigative services was about \$363 million. Based on the proportion of county general purpose revenues (all taxes, state shared revenue, interest earnings, and general fees) provided by property taxes, the property tax levy for county sheriff department patrol and investigative services in 2003 is estimated to be about \$220 million.

Based on 2003 data for population from the Department of Administration and for municipal police departments from 2003 from the Office of Justice Assistance, if the bill had been in effect for the 2003 tax year, the county tax levy for county sheriff department police and investigative services would have been affected as follows: (1) An estimated 82 municipalities (with territory in 33 counties) levying about \$90 million would have been exempted from the levy. (2) An estimated 202 municipalities (with territory in 66 counties) would have had their levy frozen at \$30 million. (3) For the remaining 1,566 municipalities (with territory in all counties except Milwaukee County), the tax levy would have increased from \$100 million to \$170 million. (4) For Milwaukee County, the \$20 million currently levied would have to be raised from other revenue sources.

Long-Range Fiscal Implications