



## Fiscal Estimate Narratives

DOR 9/18/2007

LRB Number	<b>07-3126/3</b>	Introduction Number	<b>AB-0506</b>	Estimate Type	<b>Original</b>
<b>Description</b> State finances and appropriations for state school aids for the 2007-09 fiscal biennium, school district revenue limits, school safety grants, the pupil transportation reimbursement rate, the school breakfast reimbursement rate, county and municipal aid, the school levy property tax credit, and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

The bill affects school aids, school revenue limits, county and municipal aid, and the school levies credit. The portion of the bill that affects schools is not discussed in this fiscal note.

#### COUNTY AND MUNICIPAL AID

Under the bill, the appropriation for county and municipal aid would be increased from the current law amount of \$854,703,100 to \$854,703,200, or by \$100 per year, beginning in FY08. This increase will have no effect on property tax levies.

#### SCHOOL LEVIES CREDIT

The current appropriation for the school levies credit is \$593,050,000. Under the bill, the appropriation would be increased by \$200,000,000, to \$793,050,000, beginning in FY10 (for payments in July 2009).

For the 2006/07 school year, the school levies credit on an average home with a market value of \$174,600 was about \$221. If the \$200 million increase had been in effect for the 2006/07 tax year, the credit on an average home would have been about \$295, or \$74 more than under current law.

#### DEPARTMENT OF REVENUE

The Department of Revenue would incur minor one-time costs to implement the change in the changes to the county and municipal aid payment and the school levies credit. These costs could be absorbed within current resources.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	200,000,100		
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$200,000,100</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	200,000,100		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS	\$200,000,100		\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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