

### Fiscal Estimate - 2007 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number 07-4048/1</b>		<b>Introduction Number AB-0869</b>	
<b>Description</b> Expanding an exception to local levy limits for levies for debts incurred by a joint fire department			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input checked="" type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<input checked="" type="checkbox"/> Cities			
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOR/ Daniel Huegel (608) 266-5705		Paul Ziegler (608) 266-5773	2/25/2008

## Fiscal Estimate Narratives

DOR 2/25/2008

LRB Number	<b>07-4048/1</b>	Introduction Number	<b>AB-0869</b>	Estimate Type	<b>Original</b>
<b>Description</b> Expanding an exception to local levy limits for levies for debts incurred by a joint fire department					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, for the tax levy imposed in December 2008, a municipality generally may not increase its levy by a percentage that is greater than 2% or the percentage increase in the municipality's equalized value due to net new construction. The law permits several exceptions and adjustments when calculating the limit, such as the cost of services transferred to or from another government, annexations of territory, debt service on debts authorized on or after July 1, 2005, and for revenue shortfalls on any municipal-issued revenue bond.

The bill creates a new exception to the municipal levy limit. Under this exception, revenue shortfalls on revenue bonds issued by a joint fire department that serves a municipality will qualify for the exemption if (a) the bonds were issued for the joint fire department, but the debt is the ultimately the responsibility of the participating municipalities, (b) the joint fire department used the bond proceeds to pay for a fire station, and (c) the municipalities participating in the joint fire department are assessed their share of the debt service on the bonds.

The Department of Revenue (DOR) is aware of one joint fire department to which the bill would apply – the Oxford Fire District, which serves the Village of Oxford and Town of Oxford in Marquette County and the Town of Jackson in Adams County. There may be other joint fire departments to which the provisions of the bill will apply.

The financial data collected by DOR from municipalities does not show the amount of debt for which a municipality could be liable due to bonds issued by a joint fire department. In addition, fire departments do not file financial statements with DOR. Although it is not possible to estimate the additional property taxes that municipalities could impose if the bill were enacted, given the limitations on when the exception applies, the potential increase in statewide municipal property taxes is expected to be minimal. The bill may, however, have a distinct impact on specific municipalities.

DOR administrative costs are expected to be minimal.

### Long-Range Fiscal Implications