

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3852/1	Introduction Number AB-0703
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Description
 Correcting errors in the assessment of counties and taxation districts by the Department of Revenue.

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<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
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Create New Appropriations	
<input type="checkbox"/> Decrease Existing Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others lake, sanitary, metro sewer <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

2. Decrease Costs 4. Decrease Revenue

Permissive Mandatory Permissive Mandatory

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Daniel Huegel (608) 266-5705	Authorized Signature Paul Ziegler (608) 266-5773	Date 2/18/2010
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Fiscal Estimate Narratives
DOR 2/18/2010

LRB Number	09-3852/1	Introduction Number	AB-0703	Estimate Type	Original
Description Correcting errors in the assessment of counties and taxation districts by the Department of Revenue.					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Revenue (DOR) annually determines the equalized value of every municipality in the state and releases the data on August 15. Equalized value is used to allocate the property tax levy of multi-municipal entities (counties, school districts, technical college districts, lake districts, and sanitary districts) to their constituent municipalities. Errors in equalized value may occur due to incomplete, late, or inaccurate information from local assessors or from appeals by taxpayers regarding the value of their property. If DOR discovers an error in the equalized value of a locality, DOR corrects for the error by adjusting the following year's equalized values.

Under this bill, DOR would be required to correct for errors in equalized value in the year of the error rather than in the following year if all of the following conditions are met: (1) the error is discovered before October 1, (2) the amount of the error is more than \$10,000,000, and (3) the amount of the error is more than 7.5% of the corrected equalized value (excluding the incremental value in tax incremental districts).

The number of errors that would be covered under the bill will vary from year to year. The bill would increase DOR administrative costs by a small amount. These costs can be absorbed within current budgetary resources.

Local governments may experience small cost increases to include the corrected values during the course of their budget deliberations.

The correction of equalized values that would occur under the bill would allow for the correct allocation of the property tax levy of the various taxing entities in the year the levy is imposed rather than in the following year.

Long-Range Fiscal Implications