Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **09-2329/1**	Introduction Number **SB-172**

Description
Limiting a city's and village's use of direct annexation and authorizing limited town challenges to an annexation

Fiscal Effect

State:
- ☒ No State Fiscal Effect
- ☐ Indeterminate
  - ☐ Increase Existing Appropriations
  - ☐ Decrease Existing Appropriations
  - ☐ Create New Appropriations
  - ☐ Increase Existing Revenues
  - ☐ Decrease Existing Revenues
  - ☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
  - ☐ Decrease Costs

Local:
- ☐ No Local Government Costs
- ☒ Indeterminate
  - 1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
  - 2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
  - 3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
  - 4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory
  - 5. Types of Local Government Units Affected: ☒ Towns ☒ Village ☒ Cities ☐ Counties ☐ Others ☐ School Districts ☐ WTCS Districts

Fund Sources Affected ☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEGS

Affected Ch. 20 Appropriations

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOA 4/29/2009

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Description Limiting a city's and village's use of direct annexation and authorizing limited town challenges to an annexation		

Assumptions Used in Arriving at Fiscal Estimate

STATE FISCAL EFFECT
Senate Bill 172's proposed change in law will not impact the state's responsibility to review proposed annexations within counties having a population of 50,000 or more and issue an advisory opinion as to whether the annexation is in or against the public interest as defined in statute. Therefore, there is no anticipated state fiscal effect.

LOCAL FISCAL EFFECT
Senate Bill 172's proposed change in law would clarify the prohibition against direct annexation by unanimous consent of any property that is not contiguous to the annexing city or village. The bill would also allow towns to initiate an action to contest a direct annexation by unanimous consent on the ground that the land being annexed is not contiguous to the annexing city or village.

The proposed changes may limit the number of annexations that are proposed under the direct annexation by unanimous consent option, however, cities, villages and private parties may choose other options. It is not possible to forecast whether overall the number of proposed annexations will decrease or increase.

The bill does not require any party to engage in litigation. The proposed changes may result in greater litigation around the issue of contiguity of annexed land and, therefore, result in greater costs for towns, cities and villages. However, those possible costs are speculative and indeterminate.

Long-Range Fiscal Implications