

Fiscal Estimate Narratives

DPI 3/8/2012

LRB Number	11-1953/1	Introduction Number	AB-0543	Estimate Type	Original
Description Exempting a city, town, village, or school district from a county library tax					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a county board may levy a tax for the purpose of providing public library service to county residents. A city, town, village, or school district located in the county is exempt from the county tax if the city, town, village, or school district levies a tax for public library services at a rate that is equal to or greater than the county library tax rate.

This bill provides an exemption from the county library tax if the city, town, village, or school district levies a tax for public library services and spends for a library fund an amount that is not less than the average of the three previous years, the county board approves the exemption, and (for the first year of exemption under this new method) the city, town, village, or school district qualified for the exemption using the method described above in each of the three previous years.

State: There would be no fiscal effect on the DPI.

Local: The bill provides an exemption from the county library tax, if the county board approves, for a city, town, village, or school district that levies a tax for public library services and spends for a library fund an amount that is not less than the average of the three previous years. For most libraries, the three year average level of spending is far higher than what would be generated by the county library tax rate level. It is unknown how many county boards would approve such an exemption.

It is unknown how many municipalities would not qualify for the exemption based on spending levels lower than the average of the three previous years. In 2007, the most recent year the department has data for, only 10 municipalities would not have qualified for the exemption based on lower spending levels. It is also unknown how many municipalities have lowered spending levels in the last year with removal of maintenance of effort requirements.

The funding level used in this bill (the average of the three previous years) formerly was a maintenance of effort requirement for a library to participate in a public library system under s. 43.15(4)(c). That requirement was eliminated by 2011 Act 32.

The overall local fiscal effect is indeterminate.

Long-Range Fiscal Implications