

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-3087/1	Introduction Number SB-273
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Description
 State payments for municipal services

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

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

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(5)(a)	

Agency/Prepared By DOR/ Craig Steinfeldt (608) 266-5705	Authorized Signature Robert Schmidt (608) 266-5773	Date 10/5/2015
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Fiscal Estimate Narratives

DOR 10/5/2015

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Description State payments for municipal services					

Assumptions Used in Arriving at Fiscal Estimate

State facilities are exempt from property taxes under current law. The state makes municipal service payments for police, fire, and trash disposal services provided by municipalities where state facilities are located. Direct payments made at established rates for water, sewer, electrical, and other services are excluded from the municipal service payments.

Each year, the Department of Administration establishes municipal service payments. 2015 Wisconsin Act 55 provided funding of \$18,584,200 in FY 2016 and FY 2017 for municipal service payments. Current law prorates municipal service payments if appropriation s.20.835(5)(a) lacks sufficient funding. Current law funded 42.08 percent of the \$44,162,447 entitlement amount from 2014 to 338 municipalities.

Proposed Law

Senate Bill 273 establishes state payments of 65% of the entitlement amount in FY 2017, 80 percent in 2018, 95 percent in 2019, and the full entitlement amount in FY 2020 and thereafter. Under the bill, based on the 2014 entitlement amount of \$44,162,447 and an annualized growth rate of 6.80 percent, municipal service payments would increase by \$14,158,100 to \$32,742,300 in FY2017.

Under current law, a municipality could use the higher municipal service payments provided by the bill to lower property taxes, increase spending, or increase cash reserves. Payments for municipal services do not affect levy limits under Chapter 66.

Long-Range Fiscal Implications

Under the bill, based on the 2014 entitlement amount of \$44,162,447 and an annualized growth rate of 6.80 percent, municipal service payments increase by \$24,454,300 to \$43,038,500 in FY 2018, increase by \$35,999,300 to \$54,583,500 in FY2019, and increase by \$42,779,200 to \$61,363,400 in FY2020 and thereafter.

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description State payments for municipal services			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	14,158,100		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$14,158,100		\$
B. State Costs by Source of Funds			
GPR	14,158,100		
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$14,158,100	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
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