

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

**LRB Number**    **15-3406/3**                     
 **Introduction Number**    **SB-322**

**Description**  
 Resolution of claims against the state for wrongful imprisonment of innocent persons, exempting from taxation certain amounts an individual receives from the claims board or legislature, health benefits for wrongfully imprisoned persons, and making appropriations

**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      3.  Increase Revenue
  - Permissive  Mandatory       Permissive  Mandatory
  - 2.  Decrease Costs      4.  Decrease Revenue
  - Permissive  Mandatory       Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

**Fund Sources Affected**                                             
 **Affected Ch. 20 Appropriations**  
 GPR     FED     PRO     PRS     SEG     SEGS

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DOR 10/21/2015

LRB Number	<b>15-3406/3</b>	Introduction Number	<b>SB-322</b>	Estimate Type	<b>Original</b>
<b>Description</b> Resolution of claims against the state for wrongful imprisonment of innocent persons, exempting from taxation certain amounts an individual receives from the claims board or legislature, health benefits for wrongfully imprisoned persons, and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin Claims Board is directed to hear petitions for compensation by persons who are released from imprisonment for crimes of which they claim to be innocent. Based on the board's findings it may compensate claimants in an amount up to \$5,000 per year of imprisonment or a maximum of \$25,000, whichever is less. For amounts exceeding the maximum, the board may submit its recommendation for additional compensation to the state legislature.

This bill increases the amount that the board may authorize for compensation to \$50,000 per year or any portion thereof with a \$1 million limit on the total amount of the award. It also indexes the per year maximum amount for inflation using the U.S. Consumer Price Index. If a court acts to release a person from prison, the person may petition the court for a financial assistance award not to exceed 133 percent of the federal poverty level for up to 14 months, or while the proceedings of the Wisconsin Claims Board are pending. The board is required to subtract financial assistance awards from the amount that it would otherwise award.

Under the bill payments made to an individual, or his estate, from the Claims Board, or from the state legislature as a result of claims board action are exempt from taxation. The financial assistance awards are also exempt from taxation.

The bill also provides for individuals to receive health care coverage, a portion of which is paid by the state. Because the covered individuals are not employees of the state, these state-paid health care premiums may result in taxable income.

Records from the Claims Board decisions from 2010 to 2015 show eight cases in which individuals received a total of \$412,068 under current law, or an average of \$68,678 per year. Adjusting for the higher compensation rates under the bill, average annual compensation could have been as high as \$585,138. As a result, the expected annual revenue loss from the tax exemption is approximately \$32,000. The taxable income associated with extending health insurance to eligible individuals will result in a minimal increase in revenue.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> Resolution of claims against the state for wrongful imprisonment of innocent persons, exempting from taxation certain amounts an individual receives from the claims board or legislature, health benefits for wrongfully imprisoned persons, and making appropriations		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>		
<b>Annualized Fiscal Impact on funds from:</b>		
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$-32,000
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-32,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-32,000	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		
<b>Date</b>		
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