

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4309/1	Introduction Number SB-443
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Description
 lease terms and the imposition of sales and use taxes related to a local professional baseball park district

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease 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 checked="" type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Baseball District</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1)(gd)	

Agency/Prepared By	Authorized Signature	Date
DOR/ Travis Arthur (608) 266-8565	Robert Schmidt (608) 266-5773	10/23/2017

Fiscal Estimate Narratives

DOR 10/23/2017

LRB Number	17-4309/1	Introduction Number	SB-443	Estimate Type	Original
Description lease terms and the imposition of sales and use taxes related to a local professional baseball park district					

Assumptions Used in Arriving at Fiscal Estimate

The bill terminates the baseball district stadium tax effective December 31, 2019. The bill also provides that any lease between the district and the baseball team that uses the facilities must extend for at least the same number of years during which the sales and use tax is collected.

Under current law, the tax is scheduled to sunset when the Southeast Wisconsin Professional Baseball Park District has satisfied reserve fund requirements which are sensitive to sales tax growth and investment performance. Based on an analysis performed by PFM Financial Advisors that assumes average sales tax growth of 3.05% and a 3.55% average interest yield on investments, the estimated sunset date is some time in 2019. Assuming the tax would otherwise sunset December 31, 2019, there would be no fiscal effect under the bill. To the extent investment performance or sales tax growth fall below PFM's assumptions, the tax may sunset sometime in 2020. Under such a scenario, the bill would reduce the amount of district taxes collected under current law.

Based on CY 2016 distributions of \$30.0 million, PFM estimates CY 2017 distributions to be \$30.5 million. Assuming the growth rate remains the same, the department estimates CY 2020 sales tax distributions to the District would decrease by up to \$33.5 million under the bill.

To the extent the bill shortens the period during which the tax is collected, DOR administrative costs would decrease compared to current law. DOR administrative costs are funded with an administrative fee of 2.5% of the district taxes collected. The fee funds nine positions in the department associated with the district tax.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description lease terms and the imposition of sales and use taxes related to a local professional baseball park district		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time cost of \$40,000 for programming changes to WINPAS.		
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		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
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, ets.)		
	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	\$	\$
NET CHANGE IN REVENUE	\$see text	\$see text
Agency/Prepared By Authorized Signature Date		
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