

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>19-3384/1</b>	Introduction Number <b>SB-251</b>
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**Description**  
 exception from local levy limits for political subdivisions receiving certain utility aid payments

**Fiscal Effect**

**State:**

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

**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 checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>TIDs</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

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

DOR 5/31/2019

LRB Number	19-3384/1	Introduction Number	SB-251	Estimate Type	Original
<b>Description</b> exception from local levy limits for political subdivisions receiving certain utility aid payments					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, a political subdivision may not increase its levy by a percentage that exceeds its valuation factor—defined as the greater of either zero percent or the percentage change in the political subdivision's equalized value due to net new construction. A number of levy limit exceptions exist under current law, such as amounts levied for countywide emergency medical system, for county children with a disabilities education board, and for certain bridge and culvert construction repairs.

The bill creates a new levy limit exception for political subdivisions when a decommissioned power plant becomes taxable and the associated utility aid payment is phased out at 20 percent a year over a period of five years. Under the bill, the levy exception may not exceed the amount paid to the political subdivision in utility aid less the phase down amount in the year the levy is imposed. A revenue reduction occurs only when a political subdivision receives a utility aid payment in the current year that is less than the payment in the previous year.

Based on currently decommissioned power plants, the local fiscal effect on property tax levies is \$143,000 for December 2019 (2020) and \$88,600 for December 2020 (2021). The Pleasant Prairie Power plant closed in April, 2018 but is currently tax exempt pending a decision by the Wisconsin Public Service Commission. If the Pleasant Prairie Power Plant becomes taxable, then the levy limit exception would increase by \$494,080 each year for a maximum amount of \$2,470,400 for all political subdivisions.

The fiscal effect on tax incremental districts (TID) is indeterminate. If the levy limit exception results in higher property tax rates, then TID revenues could increase under the bill.

The department can absorb the minor administrative expenses.

### Long-Range Fiscal Implications