

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4123/1	Introduction Number SB-441	
Description changes to the local levy limit calculation for a political subdivision that transfers responsibility to provide a governmental service to another governmental unit		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <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 checked="" type="checkbox"/> Permissive <input 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 5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
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Fiscal Estimate Narratives

DOR 9/30/2019

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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. Under current law, if a political subdivision transfers a service responsibility provided in the preceding year to another governmental unit, the levy increase limit otherwise applicable is decreased to reflect the cost that the political subdivision would have incurred to provide that service. The bill repeals the levy limit reduction for service transfers.

Since 2011, the service transfer reduction has reduced property tax levies by \$3,427,700. Based on 2018-19 tax levies and equalized values, the service transfer decrease has not significantly changed the statewide average property tax rate. The impact on local tax rates would vary to the extent a political subdivision choose to apply consolidation savings to other local services in lieu of reducing property tax levies. Assuming the 26 political subdivisions who had service transfer decreases since 2011 only reduced property tax levies by half without the current law provision, the average tax increase on a home with a median value of \$167,000 would have been approximately \$15 higher in 2018-19.

Long-Range Fiscal Implications