

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4747/1	Introduction Number SB-561
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Description
 distribution of the aid payment for personal property upon termination of a tax incremental district

Fiscal Effect

State:

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

<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> 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 type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input 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 type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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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(f)

Agency/Prepared By DOR/ Craig Steinfeldt (608) 266-5705	Authorized Signature Jamie Adams (608) 266-6785	Date 11/27/2019
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Fiscal Estimate Narratives

DOR 11/27/2019

LRB Number	19-4747/1	Introduction Number	SB-561	Estimate Type	Original
Description distribution of the aid payment for personal property upon termination of a tax incremental district					

Assumptions Used in Arriving at Fiscal Estimate

Current law provides each municipality, county, school district, special purpose district, tax incremental district, and technical college district with a state aid payment for personal property taxes that the taxing jurisdictions would have collected on tax exempt nonmanufacturing machinery, tools, and patterns. Under current law, payments to tax incremental districts cease once the district closes. Under the bill, when a tax increment district closes, the personal property aid payment will be distributed to the municipality and applicable taxing jurisdictions.

Under current law, personal property aid costs decrease when a TID closes and the payment ceases. Under the bill, personal property aid payments will not decrease as TIDs close. This results in higher aid payments compared to current law, though the aid payment will not increase beyond prior year levels. Estimated 2020 personal property aid payments will increase by \$517,900 for TIDs closed in 2019 compared to current law. 2020 personal property aid payments to tax incremental districts are currently estimated at \$14,835,700.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description distribution of the aid payment for personal property upon termination of a tax incremental district			
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	517,900		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$517,900		\$
B. State Costs by Source of Funds			
GPR	517,900		
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		\$517,900	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Craig Steinfeldt (608) 266-5705		Jamie Adams (608) 266-6785	11/27/2019