

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2976/1	Introduction Number AB-0622
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Description
 multijurisdictional business improvement districts, annual reports for neighborhood improvement districts, and certain notifications for neighborhood improvement districts and business improvement districts

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

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Fiscal Estimate Narratives

DOR 11/10/2023

LRB Number	23-2976/1	Introduction Number	AB-0622	Estimate Type	Original
Description multijurisdictional business improvement districts, annual reports for neighborhood improvement districts, and certain notifications for neighborhood improvement districts and business improvement districts					

Assumptions Used in Arriving at Fiscal Estimate

This bill authorizes two or more municipalities to create a single multijurisdictional business improvement district and makes several other changes to the statutes governing business improvement districts (BIDs) and neighborhood improvement districts (NIDs). Under current law, a BID that had a cash balance of less than \$300,000 at all times during the prior fiscal year is required to include a reviewed financial statement in its public annual report. If the BID cash balance equals or exceeds \$300,000, then current law requires an independent certified audit in its annual report. For a NID, current law requires an independent certified audit in its mandatory public annual report. Under the bill, the financial statement and audit requirements that currently apply to a BID apply in the same way to an NID.

Under current law, certain notices are required to be sent by certified mail, and the bill changes the requirement to first class mail. Under the bill, if a person owns multiple properties in a BID or NID, the municipality may fulfill its notice requirements by sending only one notice to the person. The notice must list all the affected properties or parcels owned by the person.

The fiscal estimate is indeterminate as the department does not have data on BIDs or NIDs. The bill could reduce municipal government expenditures to the extent that a financial review of an eligible NID costs less than a certified audit. Research suggests that a financial review can be half the cost of an independent certified audit. The bill would also reduce postage costs related to mailing certain notices for BIDs and NIDs. According to the U.S. Postal Service, first class mail costs per unit are \$0.63 (1 oz, metered rate) versus \$5.88 for certified mail (1 oz, includes electronic delivery), a per unit savings of \$5.25.

The department does not have any administrative costs.

Long-Range Fiscal Implications