



City of Milwaukee Fiscal Impact Statement

A	Date <u>6/23/2023</u> File Number <u>230374</u> <input checked="" type="checkbox"/> Original <input type="checkbox"/> Substitute
	Subject <u>Fiscal Impact of WI 2023 Act 12 on TID Incremental Revenues due to Personal Property Taxes</u>

B	Submitted By (Name/Title/Dept./Ext.) <u>Nathaniel Haack, Budget Analyst, Budget and Management Division</u>
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C	This File	<input type="checkbox"/> Increases or decreases previously authorized expenditures.
		<input type="checkbox"/> Suspends expenditure authority.
		<input checked="" type="checkbox"/> Increases or decreases city services.
		<input type="checkbox"/> Authorizes a department to administer a program affecting the city's fiscal liability.
		<input checked="" type="checkbox"/> Increases or decreases revenue.
		<input type="checkbox"/> Requests an amendment to the salary or positions ordinance.
		<input type="checkbox"/> Authorizes borrowing and related debt service.
		<input type="checkbox"/> Authorizes contingent borrowing (authority only).
	<input type="checkbox"/> Authorizes the expenditure of funds not authorized in adopted City Budget.	

D	Charge To	<input checked="" type="checkbox"/> Department Account	<input type="checkbox"/> Contingent Fund
		<input type="checkbox"/> Capital Projects Fund	<input type="checkbox"/> Special Purpose Accounts
		<input type="checkbox"/> Debt Service	<input type="checkbox"/> Grant & Aid Accounts
		<input type="checkbox"/> Other (Specify) _____	

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages	Decreased salary for appraisal of personal property in TIDs	(\$35,000.00)	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services		\$0.00	\$0.00
			\$0.00	\$0.00
	Other	Decrease in incremental taxes in TIDs due to personal property taxes	\$110,000.00	\$0.00
		WI DOA reimbursement for personal property tax increment in TIDs	\$0.00	\$110,000.00
	TOTALS		\$75,000.00	\$110,000.00

F	<p>Fiscal estimate assumes that the WI Dept of Revenue will calculate incremental personal property taxes within TIDs the same way as the city.</p> <p>Fiscal estimate that the labor needed to calculate personal property taxes in TIDs is equivalent to 0.5 Senior Appraisers. This saving may not be directly realized as staff are reassigned to other appraisal duties but is likely an underestimation as this reassignment should increase the accuracy of real property assessments, reducing tax remissions and legal liabilities.</p> <p>Assumptions used in arriving at fiscal estimate. _____</p>
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G	<p>For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.</p> <table style="width: 100%;"> <tr> <td style="width: 20%;"><input checked="" type="checkbox"/> 1-3 Years</td> <td style="width: 20%;"><input checked="" type="checkbox"/> 3-5 Years</td> <td style="width: 60%;">Decrease in labor expenditures for assessing the values of personal property tax in TID districts. Estimated savings of \$35,000 in direct labor.</td> </tr> <tr> <td colspan="2"></td> <td>State of WI will contribute to TIDs for loss of personal property tax. State contribution will be frozen at the 2022 level of personal property tax. Personal property taxes account for less than 2% of TID values.</td> </tr> <tr> <td><input checked="" type="checkbox"/> 1-3 Years</td> <td><input checked="" type="checkbox"/> 3-5 Years</td> <td>Legislation is unclear on the specific value that the State will contribute but will likely be revenue neutral.</td> </tr> <tr> <td><input type="checkbox"/> 1-3 Years</td> <td><input type="checkbox"/> 3-5 Years</td> <td>_____</td> </tr> </table>	<input checked="" type="checkbox"/> 1-3 Years	<input checked="" type="checkbox"/> 3-5 Years	Decrease in labor expenditures for assessing the values of personal property tax in TID districts. Estimated savings of \$35,000 in direct labor.			State of WI will contribute to TIDs for loss of personal property tax. State contribution will be frozen at the 2022 level of personal property tax. Personal property taxes account for less than 2% of TID values.	<input checked="" type="checkbox"/> 1-3 Years	<input checked="" type="checkbox"/> 3-5 Years	Legislation is unclear on the specific value that the State will contribute but will likely be revenue neutral.	<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	_____
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H	<p>List any costs not included in Sections D and E above. _____</p>
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I	<p>Additional information. WI Act 12 Section 12(3) specifies that tax incremental districts (TIDs) will be compensated by the Wisconsin Dept of Administration for loss of personal property tax revenue.</p> <p>_____</p>
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J	<p>This Note <input checked="" type="checkbox"/> Was requested by committee chair.</p>
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