

Fiscal Estimate Narratives

DOA 10/1/01

LRR Number	01-1365/1	Introduction Number	AB-501	Estimate Type	Original
Subject					
The authority of certain towns to become urban towns					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, towns may be authorized by the residents to exercise certain powers of a village, with the exception of powers that conflict with the statutes governing towns. Some of the powers that cannot be exercised include: (1) creation of a tax incremental financing district; (2) annexation of territory; (3) exercise of extraterritorial zoning; or (4) enactment of zoning ordinances without county board approval, if there is a county zoning ordinance. Even if a town board exercises village powers, the town is still subject to annexation and extraterritorial zoning by a city or village.

This bill allows a town that exercises village powers and has attempted to consolidate or and incorporate and failed, to pass a resolution, subject to referendum approval, to declare itself an urban town. As an urban town, a town may exercise any statutory power that a village may exercise. In addition, an urban town can remove the town from coverage of most county zoning ordinances and exempts the town from being subject to certain city and village annexation and extraterritorial powers.

In order to be granted the powers of an urban town, the town must meet the following criteria: (1) the population is at least 7,500; (2) the equalized value of the town exceeds a total of \$360 million and \$40,000 per person; (3) the town provides 24 hours a day police, fire and emergency services; (4) the town adopts a comprehensive land use plan; (5) at least 30 percent of the residents receive water and sanitary sewage services from one of several entities; and (6) the town board consists of five supervisors.

Currently, there are thirteen towns that meet or almost meet the criteria for an urban town. Because one criterion for status as an urban town is the submission and failure of a consolidation-incorporation petition, affected towns will be required to pay the current incorporation fee of \$20,000. This fee was created by 2001 Act 16 and is intended to cover the costs of the Municipal Boundary Review unit within DOA. Modest additional local costs associated with conducting a special referendum may be incurred by towns that wish to become urban towns.

Long-Range Fiscal Implications

Unknown