

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1198/1	Introduction Number AB-0037	
Description Authorizing the City of Milwaukee to sell city-owned property used for school purposes		
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 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 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 checked="" 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 checked="" type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" 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		
Agency/Prepared By DPI/ Kimberly Chase (608) 266-1344	Authorized Signature Michael Bormett (608) 266-2804	Date 3/31/2011

Fiscal Estimate Narratives

DPI 3/31/2011

LRB Number	11-1198/1	Introduction Number	AB-0037	Estimate Type	Original
Description Authorizing the City of Milwaukee to sell city-owned property used for school purposes					

Assumptions Used in Arriving at Fiscal Estimate

Currently, the board of school directors of Milwaukee Public Schools (MPS) has the authority to purchase, lease, control, and manage the schools and property of the school district. School buildings located in the City of Milwaukee, and the sites on which the school buildings sit, however, are the property of the city, and deeds and conveyances of property are made to the city. MPS must adopt a resolution prior to purchasing or leasing a building site or constructing a school house. The city must sell city-owned property used for school purposes if MPS submits a written request to the city and the common council adopts a resolution approving the sale. The board determines whether proceeds of the sale of city-owned property used for school purposes are deposited into the school operations fund or the school construction fund. In general, if the proceeds are deposited into the school operations fund, the moneys must be used to pay the principal and other fees and premiums due on bonds issued for school facilities.

Under this bill, if the common council finds that city-owned property used for school purposes has been unused or underutilized for at least 18 consecutive months, the common council may sell or lease the property. The bill requires the board to provide the common council and city employees and agents copies of all documents related to the property and access to the property for purposes related to the sale or leasing of the property. Net proceeds from the sale or lease of property, when authorized by the common council as provided in the bill, are deposited in the school operations fund and are to be applied to reduce taxes levied by the city for MPS.

LOCAL: Currently, MPS has a deed restriction on the City of Milwaukee-owned buildings used for school purposes that keeps the buildings from being used as schools that are not part of MPS. Assembly Bill (AB) 37 would allow the City of Milwaukee to sell or lease buildings if it determines they are unutilized or underutilized for 18 months. Any buildings that are not sold or leased must continue to be maintained by MPS which will result in continued costs for the school district. However, any buildings sold or leased by the city may reduce maintenance costs for MPS. If a sale or lease of an unutilized building(s) is agreed upon, net proceeds would go to the school operations fund which must be used to reduce the tax charged by the City of Milwaukee for MPS. It is indeterminate as to how many buildings may be sold or leased or how much the proceeds would be and therefore how much each taxpayer's bill would be reduced.

STATE: There would be no state fiscal effect.

Long-Range Fiscal Implications