

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5584/1	Introduction Number AB-1039				
Description Duties and functions of the Department of Administration, the Department of Revenue, and the Office of the State Treasurer and making appropriations					
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs					
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input 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 type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <u>0</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Fund Sources Affected</td> <td style="width: 50%;">Affected Ch. 20 Appropriations</td> </tr> <tr> <td> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(4) </td> <td></td> </tr> </table>		Fund Sources Affected	Affected Ch. 20 Appropriations	<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(4)	
Fund Sources Affected	Affected Ch. 20 Appropriations				
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(4)					
Agency/Prepared By DOR/ Craig Steinfeldt (608) 266-5705	Authorized Signature Jamie Adams (608) 266-6785				
Date 3/22/2018					

Fiscal Estimate Narratives

DOR 3/22/2018

LRB Number	17-5584/1	Introduction Number	AB-1039	Estimate Type	Original
Description Duties and functions of the Department of Administration, the Department of Revenue, and the Office of the State Treasurer and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

2013 Wisconsin Act 20 transferred the state's unclaimed property program from the Office of the State Treasurer to the Department of Revenue (DOR). Under the bill, the unclaimed property program would be transferred back to the state treasurer.

The bill deletes \$3,838,900 in annual budget authority and 5.95 full-time equivalent (FTE) positions from DOR and transfers those costs and FTE to the state treasurer. Employees working on unclaimed property at DOR, along with tangible personal property, would transfer to the state treasurer beginning on the first day of the seventh month after publication.

DOR uses proprietary computer software for processing tax returns, payments, and transactions for the unclaimed property program. DOR's current software contains federal tax information and could not be shared with the state treasurer. The state treasurer would have to build its own computer software to manage unclaimed property accounts and process payments. The system would need to include DOR's automations for selling stocks and receiving dividends, advertising properties, and applying unclaimed property funds to unpaid tax debts. DOR estimates one-time costs of \$1,221,800 and annual costs of \$1,311,800 to develop and maintain a DOR system to interface with a yet-to-be-designed state treasurer system. The software costs would be an overall increase in state costs to administer the unclaimed property program.

Current law requires the unclaimed property administrator to first offset a person's tax and government debt prior to paying claims for unclaimed property. Separating unclaimed property from DOR may impede this process since the state treasurer would not have access to DOR's tax records and DOR would not have access to the unclaimed property records. If an efficient information sharing arrangement could not be arranged, an indeterminate amount of GPR revenues maybe reduced under the bill, along with a reduction in the collection of debts for state agencies and local governments.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5584/1		Introduction Number AB-1039	
Description Duties and functions of the Department of Administration, the Department of Revenue, and the Office of the State Treasurer and making appropriations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): See Text. \$1,221,800			
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	1,311,800		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$1,311,800		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS	1,311,800		
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	\$1,311,800	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DOR/ Craig Steinfeldt (608) 266-5705		Jamie Adams (608) 266-6785	3/22/2018