

Fiscal Estimate Narratives

DOR 10/24/2017

LRB Number	17-3946/1	Introduction Number	SB-456	Estimate Type	Original
Description claims by and treatment of wrongfully imprisoned persons and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin Claims Board is directed to hear petitions for compensation by persons who are released from imprisonment for crimes of which they claim to be innocent. Based on the board's findings it may compensate claimants in an amount up to \$5,000 per year of imprisonment or a maximum of \$25,000, whichever is less. For amounts exceeding the maximum, the board may submit its recommendation for additional compensation to the state legislature.

This bill increases the amount that the board may authorize for compensation to \$50,000 per year or any portion thereof with a \$1 million limit on the total amount of the award. It also indexes the per year maximum amount for inflation using the U.S. Consumer Price Index. If a court acts to release a person from prison, the person may petition the court for a financial assistance award not to exceed 133 percent of the federal poverty level for up to 14 months, or while the proceedings of the Wisconsin Claims Board are pending. The board is required to subtract financial assistance awards from the amount that it would otherwise award.

Under the bill payments made to an individual, or his estate, from the Claims Board, or from the state legislature as a result of claims board action are exempt from taxation. The financial assistance awards are also exempt from taxation.

The bill also provides for individuals to receive health care coverage, a portion of which is paid by the state.

Records from the Claims Board decisions from 2010 to 2015 show eight cases in which individuals received a total of \$412,068 under current law, or an average of \$68,678 per year. Adjusting for the higher compensation rates under the bill, average annual compensation could have been as high as \$585,138, resulting in an annual revenue loss from the tax exemption of approximately \$32,000.

Under 2017 Wisconsin Act 59, as part of updating state Internal Revenue Code references, the state adopted a federal exclusion from income related to wrongful convictions. This bill does not provide a double benefit for that compensation, but does allow a deduction to the extent that the Wisconsin exclusion exceeds the federal exclusion. As such, the annual revenue loss from this exemption will be less than \$32,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	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	\$	\$
	NET CHANGE IN REVENUE	\$See Text	\$
Agency/Prepared By		Authorized Signature	Date
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