

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>19-2655/1</b>	Introduction Number <b>AB-0193</b>
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**Description**  
 authorizing a biennial budget procedure for political subdivisions

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate  
 Increase Existing Appropriations     
  Increase Existing Revenues     
  Increase Costs - May be possible to absorb within agency's budget  
 Decrease Existing Appropriations     
  Decrease Existing Revenues     
   
  Yes       No  
 Create New Appropriations     
   
  Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DOA/ Josh Bachert (608) 261-2292	<b>Authorized Signature</b> Colleen Holtan (608) 266-1359	<b>Date</b> 5/7/2019
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## Fiscal Estimate Narratives

DOA 5/7/2019

LRB Number	19-2655/1	Introduction Number	AB-0193	Estimate Type	Original
<b>Description</b> authorizing a biennial budget procedure for political subdivisions					

### Assumptions Used in Arriving at Fiscal Estimate

AB 193 authorizes governmental subdivisions, including all cities (including first class cities), villages, towns, and counties, to adopt the use of the biennial budget procedure. Under current law, political subdivisions are required to adopt an annual budget procedure.

Generally, a governmental subdivision electing to adopt an annual budget procedure would be required to follow the current law procedures regarding public hearings. Current law procedures regarding the formulation and summarization of budget information and of revenue and expenditure estimations would also be required to be followed, with the exception that the basis would be biennial rather than annual information.

A political subdivision's common council may change any appropriation or revenue amount in the second year of a biennial budget by a simple majority vote of the members-elect. As proposed, adopted biennial budget procedures shall be effective beginning in an odd-numbered year. Provisions are provided for a political subdivision which elects to return to the use of an annual budget procedure.

Under the proposed statutory language change, a political subdivision which elects to adopt a biennial budget process shall adopt a resolution or an ordinance stating its intent to adopt a biennial budget. The city is required to detail any changes between the first and second year of the biennium, and to file with the secretary or board from the department this detail with other currently-required financial and budgetary forms.

If a political subdivision, including first class city, elects to transition to a biennial budget procedure, process changes may result in the required use of one-time personnel and administrative resources for the adoption and enactment of a new resolution or ordinance.

On an ongoing basis, the format and information available for supplying estimations for a biennial vs. annual period may impact the amount of resources required for budget analysis, development, documentation and enactment within a governmental subdivision. Any potential financial impact to a political subdivision may depend upon whether or not a common council elects to vote to change any appropriation or revenue amount based upon more accurate or relevant information in the second year of a biennial budget.

Due to the non-compulsory nature of the proposed biennial budget procedure authorization, it is not possible to determine which political subdivisions will adopt biennial budgets, nor is it possible to determine the fiscal impact when a political subdivision adopts the biennial budget procedure. As such, the fiscal impact is indeterminate.

### Long-Range Fiscal Implications