



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #703

Payments for Municipal Services (Shared Revenue and Tax Relief -- Direct Aid Payments)

[LFB 2009-11 Budget Summary: Page 570, #8]

CURRENT LAW

The Department of Administration administers a payments for municipal services (PMS) program that provides annual payments to reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities, which are exempt from property taxation. The base level funding for the PMS program is \$21,998,800 GPR.

Under the program, there is a procedure for program revenue (PR), program revenue-service (PR-S), and segregated revenue (SEG) appropriations to be charged for municipal services to facilities funded through these appropriations. Payments to municipalities continue to be made through a general purpose revenue (GPR) appropriation. However, after payments are made, the Department of Administration (DOA) transfers amounts from the PR, PR-S, and SEG appropriations that fund state facilities to the general fund as GPR-Earned.

GOVERNOR

Reduce funding by \$220,000 GPR annually for the payments for municipal services program, from a base level of \$21,998,800 to \$21,778,800. This reduction is part of the Governor's proposed across-the-board 1% reduction in most nonfederal appropriations. Reduce estimated GPR-Earned through agency chargebacks under the program by \$103,800 annually to reflect the reduced funding level for payments.

MODIFICATION

Increase the estimated GPR-Earned from agency chargeback amounts to other funding sources that fund state facilities by \$52,800 annually.

Explanation: The Governor's budget recommendation would reduce the PMS appropriation by 1%, which would reduce the GPR-Earned amounts associated with the agency chargebacks. However, in January, 2009, this office reestimated the chargebacks upward by \$54,000 GPR-Earned for 2008-09, which was not included in the base GPR-Earned amounts used by DOA to calculate the agency chargebacks under the bill. This modification of \$52,800 GPR-Earned annually reflects the increase to the base level chargeback amount after accounting for the 1% reduction in the PMS appropriation. If the PMS appropriation is not reduced by 1%, the estimated GPR-Earned amount would increase by an additional \$105,000 annually.

Change to Bill	
Revenue	
GPR	\$105,600

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