

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE
 DOA-2048 N(R10/94)

Subject

Inverse Condemnation Proceedings

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Government Units Affected:
 Towns Villages Cities
 Counties WTCS Districts
 School Districts Others

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

SUMMARY OF BILL

Under current law, if a person's property (land) is occupied by an entity that possesses the power of eminent domain, the owner may commence an inverse condemnation action against the entity, resulting in payment of compensation.

The bill redefines taking as follows:

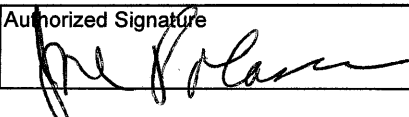
In addition to occupancy of property (land), the bill describes

- Physical confiscation (i.e., a warden confiscating a violator's gun), and
- Any action (i.e., Lower Wisconsin River Performance Standards, water regulation and zoning matters) that reduce fair market value of property by more than 50%. These actions by an entity possessing eminent domain authority (DNR, counties, etc.) could trigger inverse condemnation and subsequent:
 - Compensation or
 - Reversal of the action plus compensation (i.e., denial of a wetland fill request could be reversed. The burden of proof that a 50% decrease in value did not occur is on the entity (condemnor). The bill would seriously handicap enforcement of regulations and zoning by all governmental entities in Wisconsin and lead to purchase of properties not needed by the entities.

FISCAL IMPACT - The cost estimates are speculative but are based on the assumption that many enforcement actions of the Department and local officials would lead to inverse condemnation actions and subsequent payment of compensation. Not included are costs for properties that otherwise would have been sought by the entities (in DNR's case, for conservation projects). It also is assumed that existing staff could deal with work load, so costs are just estimates for compensation. Based on experience with conservation easements, for example, a reduction in property utility due to denial of pier development could lead to a \$100 per front foot compensation. Purchase of water front property through inverse condemnation could cost \$250 to \$2,000 per front foot. Development of wetlands for commercial or residential purpose could yield \$500 to \$5,000 per acre if wetland zoning were challenged. Assuming 50,000 feet of water frontage at \$1,000 per foot and 50,000 acres of land at \$2000 per acre, costs of inverse condemnation could total \$150,000,000 per year to the Department, if regulatory items were successfully challenged. Likewise, municipalities would be similarly exposed to costs.

Long-Range Fiscal Implications

The bill would seriously handicap enforcement of regulations and zoning by all governmental entities in Wisconsin and lead to purchase of properties not needed by the entities.

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
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FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. AB 855, 99-3683/2	Amendment No.
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Subject
Inverse Condemnation Proceedings

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 State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes (FTE Position Changes)		
State Operations - Other Costs	\$150,000,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$150,000,000	

B. State Costs by Source of Funds	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
GPR	\$150,000,000	
FED		
PRO/PRS		
SEG/SEG-S		

III. State Revenues:	Annualized Fiscal impact on State funds from:	
	Increased Rev.	Decreased Rev.
Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
GPR Taxes	\$0	\$0
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$0	\$0

NET ANNUALIZED IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$150,000,000	\$150,000,000
NET CHANGE IN REVENUES	\$0	\$0

Agency DNR	Prepared By Joe Polasek	Phone No. (608) 266-2794	Authorized Signature 	Phone No. (608) 266-2794	Date 03/09/2000
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