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|---|--|---|
| 1999 Session | | LRB Number 99-3683/2 |
| FISCAL ESTIMATE DOA-2048 N(R06/99) | <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL | Bill Number AB 855 |
| Subject Expansion of existing rules governing inverse condemnation. | | Amendment No. if Applicable Administrative Rule Number |
| Fiscal Effect State: Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation. | | |
| <input checked="" type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation | | <input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs |
| Local: <input type="checkbox"/> No local government costs | | |
| 1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected: <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Villages <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S | | Affected Chapter 20 Appropriations Section 20.395 (2), (3) and (4) |
| Assumptions Used in Arriving at Fiscal Estimate 1. DOT assumes the proposal will generate higher claims against the department and a higher appeals of compensation amounts. Higher claims and appeals require allocation of personnel to cover the need for litigation services. Increasing litigation requires either existing staff to accept additional duties, or that entire positions be allocated to support the demand. Still, DOT could choose right of way limits at some arbitrary distance from the project limits beyond which the risk of additional claims is minimal, or to construct more noise or visual barriers to mitigate the adverse consequences. 2. Cost to State. A conservative estimate of fiscal impact is \$44M per year in additional administrative costs, costs of appeals and the additional costs of mitigating noise and visual nuisances. The rise in administrative costs assumes a 1/3 increase over the 2000 properties the department acquires annually. This rise would generate 670 additional appeals. Assuming an average of \$18K in administrative costs (attorney fees, court costs, staff time, etc.) to handle the appeals yield an increase of \$12M. If 5% of those potential appeals reach the 50% fair market value devaluation test, there would be 35 additional litigation cases per year. If those cases are mostly commercial businesses at an average cost of \$200,000/business, then the cost of the appeals equals \$7M. Further, to alleviate residential noise or proximity claims by building more noise or visual barriers costs \$1M per segment. Estimated demand on a statewide average basis yields 25 noise barrier segments at a cost of \$25M. 3. Local Costs. Using Fiscal Year statistics derived from the DOT annual acquisition report to the Federal Highway Administration, (comparing local program acquisition costs on local improvement projects utilizing state or federal transportation funding aides to state program acquisition costs) show that the local program dollars are approximately 17% of the annual state program dollars. Based on this estimated percentage, the fiscal impact on local governments is estimated to equal \$8M. | | |
| Long-Range Fiscal Implications BHRE estimates that the annualized cost increase to the State is conservatively estimated to be \$44M. Similarly, the annualized local cost increase is conservatively estimated to be \$8M. | | |
| Prepared by: Joel V. Batha, BHRE | Telephone No. (608) 266-2053 | Agency WisDOT |
| Authorized Signature:  | Telephone No. 608-266-6885 | Date 3-14-00 |

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R06/99)

| | |
|------------------------------|---|
| LRB Number | Amendment No. if Applicable 99-3683/2 |
| Bill Number AB 855 | Administrative Rule Number |

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

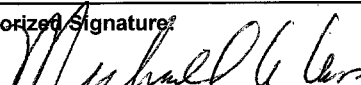
Subject
Expansion of existing rules governing inverse condemnation.

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): All fiscal impacts of the proposed change in the statute are expected to be long-term.

| II. Annualized Costs: | | Annualized Fiscal impact on State funds from: | |
|---|--|---|-----------------|
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes | | \$ 12M | \$ - |
| (FTE Position Changes) | | (FTE) | (- FTE) |
| State Operations - Other Costs | | 32M | - |
| Local Assistance | | | - |
| Aids to Individuals or Organizations | | | - |
| TOTAL State Costs by Category | | \$ 44M | \$ - |
| B. State Costs by Source of Funds | | Increased Costs | Decreased Costs |
| GPR | | \$ | \$ - |
| FED | | | - |
| PRO/PRS | | | - |
| SEG/SEG-S | | \$44M | - |
| I. State Revenues | | 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 | | \$ | \$ - |
| GPR Earned | | | - |
| FED | | | - |
| PRO/PRS | | | - |
| SEG/SEG-S | | | - |
| TOTAL State Revenues | | \$ | \$ - |

NET ANNUALIZED FISCAL IMPACT

| | STATE | LOCAL |
|------------------------|---------------|--------------|
| NET CHANGE IN COSTS | \$ 44,000,000 | \$ 8,000,000 |
| NET CHANGE IN REVENUES | \$ | \$ |

| | | |
|---|--|-------------------------|
| Prepared by: Joel V. Batha, BHRE | Telephone No. (608) 266-2053 | Agency WisDOT |
| Authorized Signature:  | Telephone No. 608-266-6885 | Date 3-14-00 |