

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

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| LRB Number 03-1962/1 | Introduction Number AB-347 |
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Subject
 Municipal enforcement of one- and two-family dwelling code

Fiscal Effect

State:

| | | | | |
|---|--|--|--|---|
| <input type="checkbox"/> No State Fiscal Effect | <input type="checkbox"/> Indeterminate | <input checked="" type="checkbox"/> Increase Existing Appropriations | <input checked="" type="checkbox"/> Increase Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget |
| <input type="checkbox"/> Decrease Existing Appropriations | <input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Decrease Costs | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Local:

| | | | | |
|--|--|--|---|---------------------------------|
| <input checked="" type="checkbox"/> No Local Government Costs | <input type="checkbox"/> Indeterminate | 5. Types of Local Government Units Affected | | |
| 1. <input type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | <input type="checkbox"/> Towns | <input type="checkbox"/> Village | <input type="checkbox"/> Cities |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Counties | <input type="checkbox"/> Others | |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | <input type="checkbox"/> School Districts | <input type="checkbox"/> WTCS Districts | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | | | |

| | |
|---|---------------------------------------|
| Fund Sources Affected | Affected Ch. 20 Appropriations |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.143 (3) (j) | |

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| Agency/Prepared By COMM/ Debra Bresser (608) 266-8603 | Authorized Signature Louie Cornelius (608) 266-8629 | Date 7/1/2003 |
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Fiscal Estimate Narratives

COMM 7/1/2003

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|--|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number | 03-1962/1 | Introduction Number | AB-347 | Estimate Type | Original |
| Subject | | | | | |
| Municipal enforcement of one- and two-family dwelling code | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

AB 347 would remove the ability of municipalities with populations of 2,500 or less to opt out of enforcement of the one- and two-family dwelling code. There are currently 1,524 such municipalities and 906 of them have opted out of enforcement of the one- and two-family dwelling code per s. 101.651 (2m), Stats. AB 347 would result in the administration and enforcement of the code in those municipalities.

S. 101.65, Stats., allows municipalities to exercise jurisdiction over one- and two-family dwelling construction; 754 municipalities exercise such jurisdiction, including 453 municipalities with populations of 2,500 or less. S. 101.63 (3), Stats., and s. 101.65 (2), Stats., indicate that the Department shall provide inspection services and enforce the code in municipalities that do not exercise jurisdiction. The Department provides services in 167 such municipalities. Two have populations of more than 2,500 and 165 have populations of 2,500 or less. The Department estimates that it would be responsible for providing inspection service and code enforcement in the 906 municipalities that would require administration and enforcement of the code resulting from AB 347.

The Department currently provides for inspection services in municipalities that do not exercise jurisdiction by utilizing registered private inspection agencies (please see technical memo regarding this topic). The Department contracts with inspection agencies to provide service in municipalities with populations of more than 2,500, while the Department credentials private agencies to provide service in municipalities with populations of 2,500 or less. The activities of private inspection agencies are administered by Comm 5 and Comm 20, relating to certifications and inspections. The cost of inspection is covered through a transaction between the private agency and the building permit applicant. The Department's costs involve processing permit applications, issuing seals to municipalities that administer the program and private agencies that provide inspections, consultation regarding the one- and two- family code, and contract administration. These costs are covered through seal fees submitted to the Department by municipalities exercising jurisdiction and private inspection agencies.

The Department estimates that AB 347 would result in an additional 7,000 dwellings inspected annually under the jurisdiction of the one- and two-family dwelling code. There are currently approximately 16,000 such dwellings inspected annually. This would result in an additional \$175,000 in revenue (\$25 seal fee for each of the 7,000 additional dwellings inspected under the code). The Department estimates that there would be additional workload associated with AB 347. The annual workload would consist of the following:

Technical Consultation: 1,750 hours

Contract Administration/Coordination: 700 hours (multiple contracts anticipated)

Seal/Permit Processing: 820 hours (7,000 transactions)

Increase workload would result in the need for 2.0 FTE, which would consist of the following:

1.5 FTE Building Inspector 2

.5 FTE Program Assistant 4

The cost of these positions would be \$137,300.

Because the Department contracts directly with private inspection agencies and the inspection costs are covered through a transaction between the private agency and the building permit applicant, the Department estimates no fiscal impact on local units of government resulting from AB 347.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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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 | | \$98,500 | |
| (FTE Position Changes) | | (2.0 FTE) | |
| State Operations - Other Costs | | 38,800 | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | | \$137,300 | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | | | |
| FED | | | |
| PRO/PRS | | 137,300 | |
| 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, ets.) | | | |
| | | Increased Rev | Decreased Rev |
| GPR Taxes | | \$ | \$ |
| GPR Earned | | | |
| FED | | | |
| PRO/PRS | | 175,000 | |
| SEG/SEG-S | | | |
| TOTAL State Revenues | | \$175,000 | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | <u>State</u> | <u>Local</u> |
| NET CHANGE IN COSTS | | \$137,300 | \$0 |
| NET CHANGE IN REVENUE | | \$175,000 | \$0 |
| Agency/Prepared By | | Authorized Signature | Date |
| COMM/ Debra Bresser (608) 266-8603 | | Louie Cornelius (608) 266-8629 | 7/1/2003 |