

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2190/3	Introduction Number AB-675
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Subject
 Governmental actions affecting private property value

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 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 Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>sewer and lake districts</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Daniel Huegel (608) 266-5705	Authorized Signature Paul Ziegler (608) 266-5773	Date 9/21/2005
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Fiscal Estimate Narratives
DOR 9/21/2005

LRB Number	05-2190/3	Introduction Number	AB-675	Estimate Type	Original
Subject					
Governmental actions affecting private property value					

Assumptions Used in Arriving at Fiscal Estimate

The bill would permit certain owners of private real property to seek compensation from a governmental unit (state, county, municipality, special district, or agency or corporation of a governmental unit) for any loss in the value of their real property that is the result of that governmental unit's land use regulation. Land use regulation is defined as any statute, administrative rule, ordinance, or plan that regulates how real property or an interest in real property may be used. Compensation can only be sought for the loss in value due to land use regulations that are enacted or enforced after the owner, or family member of the owner, purchased the property.

Under the bill, the amount of compensation that a property owner could seek is the sum of the following three amounts: (1) the reduction in the fair market value of the real property, (2) the value of any improvements that the governmental unit orders removed as part of enforcing its land use regulation, and (3) the reasonable cost of removing these improvements.

The bill would prohibit property owners from seeking compensation for the loss in the value of their property due to regulations that do any of the following: (1) restrict or prohibit nuisances, (2) regulate or prohibit activities for the protection of public health and safety, (3) are required to comply with federal law, or (4) prohibit the possession or sale of pornography.

Some property owners, namely governmental units (including the United States government) and non-profit organizations under section 501 (c) of the Internal Revenue Code, would not be permitted to seek compensation for any loss in the value of their property.

Local governments would incur costs as a result of the bill. The Department of Revenue does not have information which would permit a reasonable estimate of the number of compensation requests that could be brought as a result of the bill. It is therefore not possible to reasonably estimate the amount of compensation that could be paid, or potential litigation costs that governmental entities would incur if the bill were enacted.

Long-Range Fiscal Implications