



## Fiscal Estimate Narratives

DNR 5/10/2005

LRB Number	<b>05-2706/2</b>	Introduction Number	<b>SB-198</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Assignment of tax delinquent property to apply to residential brownfields					

### Assumptions Used in Arriving at Fiscal Estimate

#### Bill Summary:

Under the current state statutes dealing with land sold for taxes, a county or first class city may assign the right to foreclose on a tax delinquent brownfields property to a third party to promote cleanup and reuse. The current statutes define brownfields as industrial or commercial property. For the purposes of assigning contaminated property, this bill defines brownfields as including abandoned, idle, or underused residential or commercial property that has not been expanded or redeveloped because of actual or perceived environmental contamination.

#### Fiscal Estimate:

DNR records indicate 6 such property foreclosure agreements have been finalized in the state. While the state and other taxing jurisdictions would lose tax revenues due to the cancellation of major financial encumbrances such as delinquent property taxes, generally the property is put back on the tax rolls. In addition, those agreements include a commitment to clean up the property, thus increasing the overall value of the brownfields property. While there is a short-term loss in revenues, these properties are put back onto the tax rolls with their values generally increasing. Because of this, it is difficult to quantify the short-term loss in terms of the long-term gains. Expanding this to include residential properties should have negligible fiscal impacts.

### Long-Range Fiscal Implications

None.

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-2706/2		<b>Introduction Number</b> SB-198	
<b>Subject</b>			
Assignment of tax delinquent property to apply to residential brownfields			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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