

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number **21-5567/1** Introduction Number **SB-865**

Description
regulating homeowners' associations and requiring the Department of Financial Institutions to create a filing system for notices filed by homeowners' associations

Fiscal Effect

State:
 No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:
 No Local Government Costs
 Indeterminate
1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory
2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory
5. Types of Local Government Units Affected
 Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
 GPR FED PRO PRS SEG SEGS 20.144(1)(g)

Agency/Prepared By DFI/ Kortney Anderson (608) 261-9559	Authorized Signature Kortney Anderson (608) 261-9559	Date 1/20/2022
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Fiscal Estimate Narratives

DFI 1/20/2022

LRB Number	21-5567/1	Introduction Number	SB-865	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

Senate Bill 865 would require homeowners' associations, as condition of exercising certain rights, to annually file public notices with the Department of Financial Institutions (DFI) informing the public of their existence and providing certain contact information. The DFI must publish the information in a searchable, publicly accessible database.

Costs of implementation. The DFI's information technology staff have reviewed the requirements and estimate a one-time cost of \$411,884 to develop, test, and implement a system with the necessary filing, searching, security, and administrative functions to enable the department to effectively administer this legislation. If the DFI is able to build that system, then it does not believe it will need to add positions to administer this law; day-to-day administration could be carried out by existing staff.

Additional revenues. The law authorizes the DFI to charge a homeowners' association a filing fee of up to \$25 for each annual public notice it files with the department, which would result in additional revenue for the state. The number of active homeowners' associations in Wisconsin is unclear, however, and therefore the amount of revenue that would be generated by filing fees authorized under the bill is indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
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Description regulating homeowners' associations and requiring the Department of Financial Institutions to create a filing system for notices filed by homeowners' associations		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): 411,884 to develop, test, and implement a system with the necessary filing, searching, security, and administrative functions to enable the department to effectively administer this legislation.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
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		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$

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