

ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**FISCAL ESTIMATE**

DOA-2048 N(R10/94)

**Subject**

Changing the standards under which certain zoning variances may be granted by a local board of adjustment or appeals.

**Fiscal Effect**

**State:**  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation       Increase Existing Revenues
- Decrease Existing Appropriation       Decrease Existing Revenues
- Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget       Yes       No
- Decrease Costs

**Local:**  No local government costs

- |   |   |  |
|---|---|--|
| <p>1. <input checked="" type="checkbox"/> Increase Costs<br/> <input type="checkbox"/> Permissive      <input checked="" type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs<br/> <input type="checkbox"/> Permissive      <input type="checkbox"/> Mandatory</p> | <p>3. <input type="checkbox"/> Increase Revenues<br/> <input type="checkbox"/> Permissive      <input type="checkbox"/> Mandatory</p> <p>4. <input type="checkbox"/> Decrease Revenues<br/> <input type="checkbox"/> Permissive      <input type="checkbox"/> Mandatory</p> | <p>5. Types of Local Government Units Affected:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Towns      <input checked="" type="checkbox"/> Villages      <input checked="" type="checkbox"/> Cities</li> <li><input checked="" type="checkbox"/> Counties      <input type="checkbox"/> WTCS Districts</li> <li><input type="checkbox"/> School Districts      <input type="checkbox"/> Others</li> </ul> |
|---|---|--|

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate**

**SUMMARY OF BILL** - Under current law, a municipality's board of appeals or a county's board of adjustment may authorize a variance from the terms of a zoning ordinance. To grant a variance, a board of appeals or board of adjustment must find, among other things, that due to special conditions, a literal enforcement of the provisions of the zoning ordinance will result in unnecessary hardship. Under this bill, a property owner may establish "unnecessary hardship" by demonstrating that strict compliance with an area zoning ordinance would unreasonably prevent the property owner from using the property for a permitted purpose or would render conformity with the zoning ordinance unnecessarily burdensome.

**FISCAL IMPACT** - The Department estimates that this bill will increase costs to the Department by \$69,600 annually, require an additional 1.50 FTE, and increase costs to local governments by an unknown amount, based on the assumptions below.

Assumptions used in arriving at this fiscal estimate:

- This bill appears to be an attempt to relax the standard for evaluating whether a zoning variance applicant has established "unnecessary hardship."
- Given that this bill attempts to relax the standard, the Department assumes that variance requests are likely to increase. Specifically, the Department assumes that zoning variance requests will double.
- Based on a 1998 Departmental survey, a total of 1229 variances were requested in the 41 counties responding to the survey. Extrapolating to 72 counties, the Department assumes that 2158 variances are currently requested statewide, annually.
- Based on 1998 Department survey data, an average of 14 variance requests in each of the responding counties related to floodplain and shoreland zoning ordinances. Extrapolating to 72 counties, the Department assumes that a total of 1008 annual variance requests relate to floodplain and shoreland zoning.
- Department regional staff review each floodplain and shoreland zoning variance request. A senior-level water regulation and zoning specialist spends an average of 2.5 hours reviewing each of these requests. The salary and fringe-related costs associated with this review are: \$23.98 x 1008 x 2.5 hours = \$60,430.
- Of those variance requests reviewed in the DNR regions, an average of 13 are forwarded to the Department's central office with a request that they be forwarded to the Department of Justice for legal action. Each of these cases are reviewed for an average of 1 hour by a senior-level water regulation and zoning specialist in the central office and a senior-level attorney. The salary and fringe-related costs associated with this review are: \$25.73 x 13 x 1 hour = \$334 and \$55.82 x 13 x 1 hour = \$726.
- Of the 13 annual variance requests annually forwarded to the Department's central office, the Department forwards an average of 10 to the Department of Justice for legal action. On average, this necessitates another 10 hours for both a senior-level water regulation and zoning specialist and a senior-level attorney. The salary and fringe-related costs associated with this review are: \$25.73 x 10 x 10 hours = \$2573 and \$55.82 x 10 x 10 hours = \$5582.

**Long-Range Fiscal Implications**

None.

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
DNR	Joe Polasek	(608) 266-2794		(608) 266-2794	10/26/1999

## FISCAL ESTIMATE

DOA-2048 N(R10/94)

---

### Assumptions Used in Arriving at Fiscal Estimate

8. Therefore, the estimated current annual costs to the Department associated with variance requests related to shorelands and floodplains is  $\$60,430 + \$334 + \$726 + \$2573 + \$5582 = \$69,600$ . Given the assumption listed in point "2" above, this amount is expected to double annually.
  9. Given the above assumptions, this bill will require an estimated 2633 additional hours of work effort--the equivalent of 1.50 FTE--by a senior-level water regulation and zoning specialist that cannot be absorbed among the existing staffing complement.
  10. Local governments will also incur additional costs associated with holding hearings, including travel costs. Per the assumptions listed above, the Department expects that local government costs associated with variance requests will double as a result of this bill. For example, according to 1998 survey data, local governments with 5-member boards of adjustment or appeal annually expend \$7450 on average for travel and hearing expenses. The Department does not have data on how many local governments have 5-member boards as opposed to 3-member boards.
-

**FISCAL ESTIMATE WORKSHEET**

**1999 Session**

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/94)

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.	Amendment No.
AB 523, 99-2207/1	

Subject  
Changing the standards under which certain zoning variances may be granted by a local board of adjustment or appeals.

**I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

<b>II. Annualized Costs:</b>	<b>Annualized Fiscal impact on State funds from:</b>	
<b>A. State Costs by Category</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
State Operations - Salaries and Fringes	\$69,600	
(FTE Position Changes)	1.50	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	\$69,600	
<b>B. State Costs by Source of Funds</b>	<b>Increased Costs</b>	<b>Decreased Costs</b>
GPR	\$69,600	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues:</b>	<b>Increased Rev.</b>	<b>Decreased Rev.</b>
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes		
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>		

**NET ANNUALIZED IMPACT**

STATE

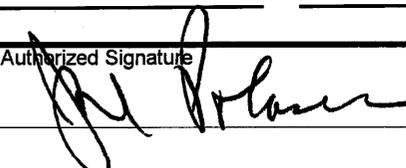
LOCAL

NET CHANGE IN COSTS

\_\_\_\_\_ \$69,600 \_\_\_\_\_

NET CHANGE IN REVENUES

\_\_\_\_\_ \_\_\_\_\_

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
DNR	Joe Polasek	(608) 266-2794		(608) 266-2794	10/26/1999