

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-4309/1	Introduction Number AB-907
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Subject
 Brownfields revolving loan program

Fiscal Effect

State:

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

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <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	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<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 checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 2/28/2004
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Fiscal Estimate Narratives

DNR 3/1/2004

LRB Number	03-4309/1	Introduction Number	AB-907	Estimate Type	Original
Subject					
Brownfields revolving loan program					

Assumptions Used in Arriving at Fiscal Estimate

SUMMARY OF BILL: Provide authority to the Department of Natural Resources to create a federally funded brownfields revolving loan program, to provide loans and grants for environmental cleanups to local governments and tribes. This would be done in partnership with other state agencies or local governmental entities.

FISCAL IMPACT: The fiscal impact of the bill would be to create a new, federal revenue source in the state for environmental cleanups at brownfield sites. Brownfields are generally described as abandoned or under utilized properties whose reuse is challenged by real or perceived environmental contamination. At a minimum, the state can request \$1 million in annual grant funds, that do not need to be repaid to the EPA. If the State enters into a coalition with other eligible governmental agencies, they can request \$1 million per eligible entity. There is a 20% cost-share for these funds, which can be paid by the loan or grant recipients (i.e., the persons receiving the DNR loan or grant), by matching other state grants, in-kind services or funds. Thus, the state does not need to provide a grant match to the EPA from its revenues. The repayments to the state of the loan proceeds would "revolve"; the repayments would be collected by DNR and would be loaned or granted out to communities.

These funds would serve as an additional revenue source for priority brownfields projects. Currently, the state brownfield grant programs at DNR, Commerce and DOA (i.e., Coastal Management) are over-subscribed. This would give local governments an additional revenue source for brownfields projects that involve economic development, public facilities, green space, and waterfront revitalization. Having these funds would decrease a community's "out-of-pocket" costs, as most of these projects are initiated on a voluntary basis. The overall fiscal impact is that these federal moneys could leverage \$7 in additional investment in the brownfields project, for every \$1 of RLF funds, creating a total of \$28 million in project investment. This estimate is based on our experience with Wisconsin's Commerce grants, of which there was \$14 in investment for every state grant dollar. Further, the use of the funds for green space and other public facilities will increase neighboring property values and lead to investment in the public projects.

Long-Range Fiscal Implications

As mentioned, these EPA grants would be available from EPA to the State on an annual basis, and in the first several years generate an additional economic impact of \$28 million, and result in an additional cleanup and reuse of 12 to 20 brownfields.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject Brownfields revolving loan program			
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		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	1,000,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$1,000,000		\$
B. State Costs by Source of Funds			
GPR			
FED	1,000,000		
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, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED	1,000,000		
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$1,000,000		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$1,000,000		\$
NET CHANGE IN REVENUE	\$1,000,000		\$1,000,000
Agency/Prepared By		Authorized Signature	Date
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