

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2736/2	Introduction Number AB-464
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Subject
 Assignment of property contaminated by hazardous substances

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:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input 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 type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>City of Milwaukee</u> <input type="checkbox"/> School Districts <input checked="" 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 DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 6/16/2005
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Fiscal Estimate Narratives

DNR 6/16/2005

LRB Number 05-2736/2	Introduction Number AB-464	Estimate Type Original
Subject Assignment of property contaminated by hazardous substances		

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 where the expansion or reuse is impacted by known or perceived environmental contamination. For the purposes of assigning contaminated property, this bill defines brownfields as being property that is abandoned, idle, or underused industrial, residential or commercial property for which the county has commenced foreclosure proceedings.

Fiscal Estimate:

DNR records indicate 6 such property foreclosure agreements have been finalized in the state at known or perceived environmental contamination properties. 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

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Subject			
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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			
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		\$	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	6/16/2005