

Fiscal Estimate - 2005 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 05-2020/1		Introduction Number AB-601	
Subject Rights related to permits granted by state or local government			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<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"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input checked="" type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input checked="" 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	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	
DOT/ Bonnie Tripoli (608) 266-2372		Julie Johnson (608) 267-3703	
		Date	
		8/3/2005	

Fiscal Estimate Narratives

DOT 8/9/2005

LRB Number	05-2020/1	Introduction Number	AB-601	Estimate Type	Original
Subject					
Rights related to permits granted by state or local government					

Assumptions Used in Arriving at Fiscal Estimate

There are currently 135 active §84.25 projects comprising of 1,223 miles of state highways. §84.25 is a tool that allows the department to manage access over time, as properties develop, redevelop or as highways are improved. With this change in the statute, access to a property under this program cannot be modified or managed unless the property owner is agreeable to this occurrence. Since most property owners know that they could be paid for a change in their access, that is what will occur in most instances.

Each §84.25 project averages about 100 property owners. Approximately one §84.25 project is impacted every 2 years by a highway improvement project. As part of that improvement project approximately 25 property owners' access will change. Of those changes, the following are assumptions made. The actual costs could vary considerably from what is estimated.

5 properties would cost the department \$1,000,000 each = \$5,000,000

10 properties could cost in the range of \$200,000 each = \$2,000,000

10 properties could fall in the range of \$10,000 each = \$ 100,000

Total for a 2-year period \$7,100,000

Total on an annual basis \$3,550,000

These access changes would require 25 very complex and expensive appraisals to be completed. One new appraiser would have to be hired to complete the 12 to 13 additional appraisals required by this draft per year.

The second part of the bill would require the department, if it erred in issuing an approval or permit on an §84.25 projects to provide compensation to the property owner for costs incurred by the owner in reliance on that approval or permit. This generally occurs once per year and the costs are estimated to be \$500,000. This could range from costs to cure the situation such as paying for the removal of the driveway and replacing it with landscaping to paying for a perceived value lost by modifying or revoking the access. The range here could be significant and costs could be significantly higher than \$500,000.

Thus \$3,550,000

+ 500,000

Total \$4,050,000

These costs could apply to a city or county if an §84.25 projects falls within one of their projects.

Long-Range Fiscal Implications

One §84.25 project per year is created now but no longer would be done. Currently the department spends about \$100,000 per year. The savings of this \$100,000 would be negated since access rights would have to be purchased and purchased again over time and the cost could run around \$50,000 per parcel, adding up to significantly more than the \$100,000 cost per §84.25 project.

Another long-range implication of this is that adding these costs to the department's budget would come at the expense of future projects and the result will be delays to projects. Dollars would be shifted from construction to real estate acquisition so that there would be less money available for construction projects per year.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject		
Rights related to permits granted by state or local government		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
There are no one-time costs or Revenue Impacts for State and/or local Government.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$88,026	0
(FTE Position Changes)	(1.0 FTE)	(0.0 FTE)
State Operations - Other Costs	4,050,000	0
Local Assistance	0	0
Aids to Individuals or Organizations	0	0
TOTAL State Costs by Category	\$4,138,026	\$0
B. State Costs by Source of Funds		
GPR	0	0
FED	0	0
PRO/PRS (0)	0	0
SEG/SEG-S (4138026)	4,138,026	0
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	\$0	\$0
GPR Earned	0	0
FED	0	0
PRO/PRS (0)	0	0
SEG/SEG-S (0)	0	0
TOTAL State Revenues	\$0	\$0
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$4,138,026	\$284000
NET CHANGE IN REVENUE	\$0	\$0
Agency/Prepared By		
Authorized Signature		Date
DOT/ Bonnie Tripoli (608) 266-2372		Julie Johnson (608) 267-3703
		8/3/2005