

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3348/1	Introduction Number AB-793	
Description The regulation, preservation, and restoration of historic buildings, the supplement to the federal historic rehabilitation tax credit and the state historic rehabilitation tax credit, requiring the certification of downtowns, promoting certain downtown areas in this state, highway projects involving business and downtown areas, the construction of major highway projects involving a bypass, granting rule-making authority, and making appropriations		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <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 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		
Fund Sources Affected Affected Ch. 20 Appropriations		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS S. 20.143 (1) (a)		
Agency/Prepared By COMM/ Debra Bresser (608) 266-8603	Authorized Signature Louie Cornelius (608) 266-8629	Date 11/9/2005

Fiscal Estimate Narratives
COMM 11/10/2005

LRB Number	05-3348/1	Introduction Number	AB-793	Estimate Type	Original
Description The regulation, preservation, and restoration of historic buildings, the supplement to the federal historic rehabilitation tax credit and the state historic rehabilitation tax credit, requiring the certification of downtowns, promoting certain downtown areas in this state, highway projects involving business and downtown areas, the construction of major highway projects involving a bypass, granting rule-making authority, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

This legislation makes numerous changes regarding historic buildings and downtown development, topics which impact and involve the Department of Commerce, and also makes changes regarding major highway projects.

Historic Buildings

The Department currently administers Comm 70, the Historic Building Code, which provides alternative building standards for preserving or restoring buildings or structures designated as historic buildings. The Historic Building Code is a uniform code. Therefore, the Department currently processes petitions for variance from the code. S. 101.02 (7), Stats., indicates redress for individuals impacted by local orders that contradict Department of Commerce orders.

This legislation would require the Department to "liberally" interpret the historic building code. There would be no fiscal impact on the Department resulting from this aspect of the legislation. The legislation also allows political subdivisions to issue variances relating to handrails or guardrails of qualified historic buildings. The Department receives a limited number of submittals for review under the Historic Building Code (less than 50 annually) and therefore estimates that the number of variances granted would be negligible, resulting in a negligible decline in variances and resulting revenue. The legislation indicates redress for individuals from local orders regarding historic buildings. The Department anticipates a workload similar to the current redress process and therefore no fiscal impact resulting from this aspect of the legislation. The legislation would require the Department to develop and publish an informational brochure regarding the historic building code. The Department estimates that the workload associated with this can be absorbed within current resources.

Downtown Development

This legislation requires the Department to promulgate rules for the certification of downtowns and includes a number of factors that must be included when determining whether or not a downtown may qualify for certification. The legislation also requires the Department to develop and publish guidelines to aid communities in reconstructing central business districts that are destroyed or severely damaged in major disasters.

SB-379 appropriates an additional 2.0 FTE positions to the Department in response to the workload generated by the bill. Due to the nature of the additional workload, the Department estimates that it would need 2.0 FTE Grants Specialist-Advanced positions to administer the provisions created under this bill. The costs for these positions are outlined below. In addition, the Department is required to promulgate administrative rules to define certified downtowns. The Department may be able to absorb those expenses with its current resources.

The bill funds the additional 2.0 FTE positions through a provision requiring eligible recipients to pay two percent of the qualified expenses of rehabilitating their historical building to the State Historical Society as a fee for certifying the rehabilitation. The State Historical Society must then transfer 50 percent of those fees to the Department to support the costs of the provisions under this bill. In the most recent year, the Department received 24 historical building plan review submittals. The Department does not keep records indicating the scope or anticipated expenses with each project. The amount of revenue needed to support the costs associated with the 2.0 FTE positions would be 24 projects with an average of \$675,000 in

qualified rehabilitation expenditures.

2.0 FTE Grants Specialist-Advanced

Salary: \$82,000

Fringe: \$35,100

Overhead: \$17,800

Rent: \$ 3,600

Supplies and Services: \$12,000

One-Time Costs: \$14,000

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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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	\$117,100	0	
(FTE Position Changes)	(2.0 FTE)	(0.0 FTE)	
State Operations - Other Costs	33,400	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$150,500	\$0	
B. State Costs by Source of Funds			
GPR	0	0	
FED	0	0	
PRO/PRS	150,500	0	
SEG/SEG-S	0	0	
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	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS	150,500	0	
SEG/SEG-S	0	0	
TOTAL State Revenues	\$150,500	\$0	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$150,500	\$0	
NET CHANGE IN REVENUE	\$150,500	\$0	
Agency/Prepared By		Authorized Signature	Date
COMM/ Debra Bresser (608) 266-8603		Louie Cornelius (608) 266-8629	11/9/2005