

lu: 4/23/07 wanted by Friday 4/27

2007 - 2008 LEGISLATURE

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LRB-1073/2-

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2007 BILL

d-note ✓

No changes

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1 AN ACT **to renumber** 44.02 (24) and 101.121 (4) (a); **to renumber and amend**

2 71.07 (9m) (a), 71.07 (9r) (a), 71.28 (6) (a) and 71.47 (6) (a); **to amend** 13.48 (7),

3 13.48 (15), 71.07 (9m) (c), 71.28 (6) (c), 71.47 (6) (c), 86.19 (1), 101.121 (4) (b),

4 101.19 (1) (intro.), 254.61 (1) (f) 2. and 823.21; and **to create** 13.48 (10) (c),

5 20.143 (1) (gb), 41.11 (1) (bm), 44.02 (24) (b), 44.02 (24d), 71.07 (9m) (a) 2., 71.07

6 (9m) (g), 71.07 (9m) (h), 71.07 (9r) (a) 2., 71.28 (6) (a) 2., 71.28 (6) (g), 71.28 (6)

7 (h), 71.47 (6) (a) 2., 71.47 (6) (g), 71.47 (6) (h), 84.013 (3g), 86.19 (4m), 86.36,

8 86.37, 101.121 (3) (c), 101.121 (4) (a) 2., 101.121 (5), 101.121 (6), 101.975 (4),

9 227.01 (13) (zy), 560.03 (21m) and 560.083 of the statutes; **relating to:** the

10 regulation, preservation, and restoration of historic buildings; the supplement

11 to the federal historic rehabilitation tax credit and the state historic

12 rehabilitation tax credit; requiring the certification of downtowns; promoting

13 certain downtown areas in this state; highway projects involving business and

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- 1 downtown areas; the construction of major highway projects involving a
2 bypass; granting rule-making authority; and making appropriations.

Analysis by the Legislative Reference Bureau

This bill makes numerous changes with regard to historic buildings and downtown development and makes a change to current law regarding the construction of major highway projects involving a bypass. Significant provisions include the following:

HISTORIC BUILDINGS***State Historic Building Code***

Current law authorizes the Department of Commerce (Commerce) to regulate the preservation and restoration of qualified historic buildings. A qualified historic building is a building that is listed on the national or state register of historic places, or a certified local register of historic property, or that is located in a district that is listed on the national or state register of historic places and is of historical significance to the district. Current law permits Commerce, in consultation with the Historic Building Code Council, to promulgate a historic building code that provides specific standards for the preservation or restoration of qualified historic buildings, while still providing for the health, safety, and welfare of occupants of and visitors to historic buildings. In addition, to permit the preservation or restoration of qualified historic buildings, Commerce may grant a variance from any rule promulgated under the chapters of the statutes relating to the regulation of industry, buildings, and safety or the regulation of plumbing, fire protection systems, and swimming pools.

With certain exceptions, the owner of a qualified historic building may elect to be subject to the State Historic Building Code. With limited exceptions, an owner who makes this election is exempt from any provision of any other building code, including a local building code, that concerns a matter that is dealt with in the State Historic Building Code. Although current law does not contain an administrative procedure designed specifically to determine whether an owner is entitled to this exemption, current law does contain a procedure that an owner may follow to resolve any conflicts between a local order and any order of Commerce that relates to the safety of places of employment or certain buildings that are open to the public (public buildings).

This bill specifies that the State Historic Building Code must be liberally interpreted to facilitate the preservation and restoration of qualified historic buildings. The bill also creates a specific administrative procedure for determining the extent to which a provision in a local building code applies to a qualified historic building. The bill permits the owner of a qualified historic building who has elected to be governed by the State Historic Building Code to request that Commerce review any decision of a local governmental unit that requires the owner to comply with a provision in a local ordinance. Commerce must review the decision to determine whether the provision in the ordinance concerns a matter dealt with in the State

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Historic Building Code, in which case the owner would be exempt from the provision. The bill specifies that, in performing this review, Commerce must follow the existing procedure for resolving conflicts between local orders and orders of Commerce that relate to the safety of places of employment or public buildings.

This bill expands the role of the State Historical Society relating to the State Historic Building Code. Under the bill, the owner of a qualified historic building may request that the State Historical Society review certain decisions of Commerce, or of a local governmental unit acting as an agent of Commerce, relating to the State Historic Building Code, variances under the State Historic Building Code, or the inspection of qualified historic buildings for compliance with the State Historic Building Code. The State Historical Society must review the particular decision and issue an advisory opinion as to whether the decision or an alternate decision is consistent with the State Historic Building Code. The bill permits the State Historical Society to negotiate with Commerce or the particular local governmental unit to achieve an alternate decision that would allow the greatest possible degree of restoration and preservation, while still providing for the health, safety, and welfare of occupants of and visitors to the qualified historic building. The bill permits Commerce or the particular local governmental unit to modify a reviewed decision, based upon these negotiations. In addition, the bill requires Commerce, in cooperation with the State Historical Society, to develop an informational pamphlet to increase public awareness and use of the State Historic Building Code. In addition, the bill requires Commerce, in cooperation with the State Historical Society, to develop an informational pamphlet to increase public awareness and use of the State Historic Building Code.

Historic buildings used as multifamily dwellings

Current law requires Commerce to promulgate a multifamily dwelling code that provides uniform standards for the construction of multifamily dwellings and their components. With certain exceptions, a multifamily dwelling is an apartment building, row house, town house, condominium, or manufactured building that does not exceed 60 feet in height or six stories and that consists of three or more attached dwelling units. The Multifamily Dwelling Code currently applies to any building or portion of a building that is converted to a multifamily dwelling after April 1, 1995, unless the building is a qualified historic building and the owner elects to be subject to the State Historic Building Code. Rules promulgated by Commerce also permit a local governmental unit to exercise jurisdiction over the construction and inspection of multifamily dwellings by adopting ordinances that are consistent with the multifamily dwelling code. Currently, the multifamily dwelling code contains specific requirements relating to the type, height, and design of handrails and guardrails that are required to be used in multifamily dwellings.

This bill permits a local governmental unit to adopt an ordinance that requires the local governmental unit to grant a variance from these handrail and guardrail requirements, as they apply to a qualified historic building that is converted from a single-family dwelling to a multifamily dwelling, if the owner of the qualified historic building shows that the type, height, and design of the handrail or guardrail

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proposed for installation is historically appropriate and if the handrail or guardrail is at least as protective of public safety as the rail that is otherwise required.

Historic rehabilitation tax credit

Under current law, a person who is eligible to claim a federal income tax credit equal to either 10 percent of qualified expenses related to rehabilitating a qualified building in this state or 20 percent of qualified expenses related to rehabilitating historic property in this state may also claim a supplemental state income or franchise tax credit that is equal to 5 percent of such qualified expenses.

Under the bill, for taxable years beginning in 2008, a person who is eligible to claim the federal rehabilitation tax credit may claim the supplemental state rehabilitation credit in an amount equal to 20 percent of qualified expenses, if the rehabilitated property is located in a certified downtown or is included in a business area revitalization under the State Main Street Program (a program that promotes revitalization efforts in certain business areas) and the State Historical Society certifies the rehabilitation. In addition, under the bill, a person who is not eligible to claim the federal rehabilitation tax credit because the person's qualified expenses do not satisfy the adjusted-basis requirement under federal law may claim the supplemental state rehabilitation credit in an amount equal to 20 percent of qualified expenses, if the qualified expenses are at least \$10,000, the rehabilitated property is located in a certified downtown or is included in a business area revitalization under the State Main Street Program, and the State Historical Society certifies the rehabilitation. The State Historical Society may charge and collect a fee for the certifications described in this paragraph in an amount equal to 2 percent of the qualified expenses, but not less than \$300 nor more than \$20,000. Fifty percent of the amount of such fees collected by the State Historical Society will be used to provide additional staffing for the administration of the State Main Street Program.

Under current law, a person may claim an income tax credit equal to 25 percent of the qualified expenses to preserve or rehabilitate historic property that is used as an owner-occupied personal residence. The State Historical Society certifies such expenses.

Under this bill, for taxable years beginning in 2008, a person who is eligible to claim the state income tax credit for preserving or rehabilitating historic property may claim the state income tax credit in an amount equal to 30 percent of qualified expenses, if the preserved or rehabilitated property is located in a certified downtown or is included in a business area revitalization under the State Main Street Program and the State Historical Society approves the preservation or rehabilitation. The State Historical Society may charge and collect a fee of \$150 for certifying such expenses.

Under current law, if a person who claims the income tax credit for qualified expenses to preserve or rehabilitate an owner-occupied personal residence sells the property within five years from the date on which the preservation or rehabilitation is completed, or if the State Historical Society determines that the preservation or rehabilitation does not comply with the standards established by the society, the person who claimed the tax credit must pay to the state all, or a portion, of the amount of the credit that the person received, depending on the date on which the

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person sold the property or on the date on which the preservation or rehabilitation does not comply with State Historical Society standards.

Under this bill, if a person who claims the supplemental state income or franchise tax credit for qualified expenses related to preserving or rehabilitating historic property in this state sells the property within five years from the date on which the preservation or rehabilitation is completed, or if the State Historical Society determines that the preservation or rehabilitation does not comply with the standards established by the society, the person who claimed the tax credit must pay to the state all, or a portion, of the amount of the credit that the person received, depending on the date on which the person sold the property or the date on which the preservation or rehabilitation does not comply with State Historical Society standards.

DOWNTOWN DEVELOPMENT***Certification and promotion of downtowns***

This bill requires Commerce to develop and publish guidelines to aid communities in reconstructing central business districts that are destroyed or severely damaged in major disasters. The bill also requires Commerce to promulgate rules pursuant to which Commerce will certify downtowns. In addition, under the bill, the Department of Tourism must promote travel to these certified downtowns and to business areas that are or have been the subject of revitalization efforts under the State Main Street Program.

Currently, the Building Commission submits biennial recommendations to the legislature for revisions to the long-range state building program. No state agency or authority may engage any person to undertake construction of a building for the agency costing more than \$100,000 without prior approval of the commission. In addition, the commission has authority to lease land and buildings to be used for state purposes unless that authority is granted by law to another state agency.

This bill provides that the commission shall not authorize construction of any state office building to be located outside of a downtown area certified by Commerce, as required under the bill, unless the cost of locating the building inside such a downtown area is more than 10 percent greater than the average cost of locating the building in that portion of the geographic area that is served by the functions to be performed in the building on the date of initial occupancy outside of such a downtown area, as determined by the Department of Administration (DOA). The bill also provides that the commission, in preparing its recommendations for the long-range building program, shall not recommend construction of a state office building to be located outside of such a downtown area, unless the commission would be authorized to permit construction of that building in the recommended location. In addition, the bill prohibits the commission from approving the lease of any building for state office facilities to be located outside of such a downtown area unless the cost of locating the facilities inside such a downtown area is more than 10 percent greater than the average cost of locating the facilities in that portion of the geographic area that is served by the functions to be performed in the facilities on the date of initial occupancy under the lease outside of such a downtown area, as determined by DOA.

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This bill imposes additional requirements relating to highway projects that are funded by the Department of Transportation (DOT) and that involve a highway in a business area included in the State Main Street Program or in a downtown certified by Commerce. First, DOT must consult, during preliminary stages of a proposed highway project, on issues concerning the proposed project and its effect on the business or certified downtown area with Commerce and, unless none exists, with a local board or downtown planning organization of that municipality. Second, DOT must give priority to retaining any on-street parking with respect to a highway-widening project in a business or certified downtown area.

This bill specifies that DOT, in providing any matching funds for local highway projects, must fund the construction of any highway lane without regard to whether it is a travel lane or a parking lane. This requirement applies only to local highway projects that are in business areas under the State Main Street Program or in downtowns certified by Commerce.

MAJOR HIGHWAY PROJECTS

Under current law, DOT administers a major highway projects program. A major highway project is a project having a total cost of more than \$5,000,000 and involving construction of a new highway 2.5 miles or more in length; reconstruction or reconditioning of an existing highway that relocates at least 2.5 miles of the highway or adds one or more lanes at least five miles in length to the highway; or improvement of an existing multilane divided highway to freeway standards. Any major highway project, unlike other highway construction projects undertaken by DOT, requires the approval of the Transportation Projects Commission and the legislature before the project may be constructed. The current list of major highway projects that are approved for construction includes six projects that involve bypasses.

This bill provides that, prior to constructing a major highway project involving a bypass, DOT must notify the governing body of the city, village, or town primarily to be affected by the bypass of DOT's proposed construction of the bypass. If the governing body of the city, village, or town adopts a resolution, within 90 days of being notified by DOT, stating that an active bypass is in the best public interest of the city, village, or town and sends a copy of the resolution to DOT within seven days of its adoption, DOT must design and construct an active bypass. The bill defines "active bypass" as a bypass of an existing highway that is designed and constructed in such a way that access to the bypass requires motorists to exit the existing highway to travel on the bypass.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1

SECTION 1. 13.48 (7) of the statutes is amended to read:

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1 13.48 (7) BIENNIAL RECOMMENDATIONS. The building commission shall prepare
2 and formally adopt recommendations for the long-range state building program on
3 a biennial basis. The building commission shall include in its report any projects
4 proposed by the state fair park board involving a cost of not more than \$250,000,
5 together with the method of financing those projects proposed by the board, without
6 recommendation. Unless a later date is requested by the building commission and
7 approved by the joint committee on finance, the building commission shall, no later
8 than the first Tuesday in April of each odd-numbered year, transmit the report
9 prepared by the department of administration under s. 16.40 (20) and the
10 commission's recommendations for the succeeding fiscal biennium that require
11 legislative approval to the joint committee on finance in the form of proposed
12 legislation prepared in proper form. If the building commission includes any
13 recommendation for construction of a state office building, the commission shall
14 ensure that the recommended location of the building is consistent with construction
15 requirements under sub. (10) (c).

16 **SECTION 2.** 13.48 (10) (c) of the statutes is created to read:

17 13.48 (10) (c) Unless otherwise required by law, the building commission shall
18 not authorize the construction of any state office building, whether for utilization by
19 a single agency or otherwise, to be located outside of a downtown area, as certified
20 under s. 560.03 (21m), unless the cost of locating the building inside a downtown area
21 is more than 10 percent greater than the average cost of locating the building in that
22 portion of the geographic area that is served by the functions to be performed in the
23 building on the date of initial occupancy outside of any downtown area, as
24 determined by the department of administration.

25 **SECTION 3.** 13.48 (15) of the statutes is amended to read:

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1 13.48 (15) ACQUISITION OF LEASEHOLD INTERESTS. Subject to the requirements
2 of s. 20.924 (1) (i), the building commission shall have the authority to acquire
3 leasehold interests in land and buildings where such authority is not otherwise
4 provided to an agency by law. The building commission shall not approve any lease
5 for state office facilities, whether for utilization by a single agency or otherwise, to
6 be located outside of a downtown area, as certified under s. 560.03 (21m), unless the
7 cost of locating the facilities inside a downtown area is more than 10 percent greater
8 than the average cost of locating the facilities in that portion of the geographic area
9 that is served by the functions to be performed in the facilities on the date of initial
10 occupancy under the lease outside of any downtown area, as determined by the
11 department of administration.

12 **SECTION 4.** 20.143 (1) (gb) of the statutes is created to read:

13 20.143 (1) (gb) *Certified downtowns and business district reconstruction.* All
14 moneys received from the historical society under s. 44.02 (24d) (b) for the purpose
15 of providing staff for the administration of ss. 560.03 (21m) and 560.083.

16 **SECTION 5.** 41.11 (1) (bm) of the statutes is created to read:

17 41.11 (1) (bm) Promote travel to business areas that are or have been the
18 subject of revitalization efforts under the State Main Street Program under s.
19 560.081 or that are certified downtowns under s. 560.03 (21m).

20 **SECTION 6.** 44.02 (24) of the statutes is renumbered 44.02 (24) (a).

21 **SECTION 7.** 44.02 (24) (b) of the statutes is created to read:

22 44.02 (24) (b) Charge a fee of \$150 for a certification under par. (a). The
23 historical society shall collect the fee under this paragraph when an applicant
24 applies for certification under par. (a).

25 **SECTION 8.** 44.02 (24d) of the statutes is created to read:

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1 44.02 (24d) (a) Promulgate by rule procedures, standards, and forms necessary
2 to certify, and shall certify, expenditures for preservation or rehabilitation of historic
3 property for the purposes of ss. 71.07 (9m), 71.28 (6), and 71.47 (6). Those standards
4 shall be substantially similar to the standards used by the secretary of the interior
5 to certify rehabilitations under 26 USC 47 (c) (2).

6 (b) Charge a fee for a certification under par. (a) equal to 2 percent of the
7 qualified rehabilitation expenditures for the historic property that is the subject of
8 the certification, except that no fee under this paragraph may be less than \$300 nor
9 more than \$20,000. The historical society shall collect the fee under this paragraph
10 when an applicant applies for certification under par. (a). Fifty percent of the amount
11 collected under this paragraph shall be deposited into the appropriation account
12 under s. 20.143 (1) (gb).

13 **SECTION 9.** 71.07 (9m) (a) of the statutes is renumbered 71.07 (9m) (a) 1. and
14 amended to read:

15 71.07 (9m) (a) 1. ~~Any~~ Except as provided in subd. 2., any person may claim as
16 a credit against the taxes otherwise due imposed under this chapter s. 71.02 or 71.08,
17 up to the amount of those taxes, an amount equal to 5% 5 percent of the costs of
18 qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the internal
19 revenue code Internal Revenue Code, for certified historic structures on property
20 located in this state, if the physical work of construction or destruction in preparation
21 for construction begins after December 31, 1988, and the rehabilitated property is
22 placed in service after June 30, 1989.

23 **SECTION 10.** 71.07 (9m) (a) 2. of the statutes is created to read:

24 71.07 (9m) (a) 2. a. Any person may claim as a credit against the taxes imposed
25 under s. 71.02 or 71.08, up to the amount of those taxes, an amount equal to 20

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1 percent of the costs of qualified rehabilitation expenditures, as defined in section 47
2 (c) (2) of the Internal Revenue Code, for certified historic structures on property
3 located in a certified downtown under s. 560.03 (21m) or included in a business area
4 revitalization under s. 560.081, if the physical work of construction or destruction in
5 preparation for construction begins after December 31, 2007.

6 b. A person whose qualified rehabilitation expenditures do not satisfy the
7 adjusted basis requirement under section 47 (c) (1) of the Internal Revenue Code, but
8 who otherwise would be eligible to claim the rehabilitation credit under section 47
9 of the Internal Revenue Code, may claim as a credit against the taxes imposed under
10 s. 71.02 or 71.08, up to the amount of those taxes, an amount equal to 20 percent of
11 the costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of
12 the Internal Revenue Code, if the property is located in a certified downtown under
13 s. 560.03 (21m) or is included in a business area revitalization under s. 560.081; if
14 the person's qualified rehabilitation expenditures, as defined in section 47 (c) (2) of
15 the Internal Revenue Code, are at least \$10,000; if the rehabilitation is approved by
16 the state historical society before the physical work of construction, or destruction
17 in preparation for construction, begins; if the person includes evidence of such
18 approval with the person's return; if the physical work of construction, or destruction
19 in preparation for construction, begins after December 31, 2007; and if the person
20 claims the credit for the same taxable year in which the person would have claimed
21 the credit for federal purposes.

22 **SECTION 11.** 71.07 (9m) (c) of the statutes is amended to read:

23 71.07 (9m) (c) No Except as provided in par. (a) 2., no person may claim the a
24 credit under this subsection unless the claimant includes with the claimant's return
25 evidence that the rehabilitation was approved recommended by the state historic

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1 preservation officer for approval by the secretary of the interior under 36 CFR 67.6
2 before the physical work of construction, or destruction in preparation for
3 construction, began, and the claimant claims the credit for the same taxable year in
4 which the claimant would have claimed the credit for federal purposes.

5 **SECTION 12.** 71.07 (9m) (g) of the statutes is created to read:

6 71.07 (9m) (g) A person who has incurred qualified rehabilitation
7 expenditures, as defined in section 47 (c) (2) of the Internal Revenue Code, for
8 certified historic structures located in this state, as described in par. (a), but who is
9 not a resident of this state and who is not required to file a return under this chapter,
10 may enter into an agreement with another person, with the department's approval
11 and in the manner prescribed by the department, so that the other person may claim
12 the credit under this subsection, if the other person is subject to the taxes imposed
13 under s. 71.02 or 71.08.

14 **SECTION 13.** 71.07 (9m) (h) of the statutes is created to read:

15 71.07 (9m) (h) A person who receives a credit under this subsection shall add
16 to the person's liability for taxes imposed under s. 71.02 or 71.08 one of the following
17 percentages of the amount of the credits received under this subsection for
18 rehabilitating or preserving the property if, within 5 years after the date on which
19 the preservation or rehabilitation work that was the basis of the credit is completed,
20 the person either sells or conveys the property by deed or land contract or the state
21 historical society certifies to the department of revenue that the historic property has
22 been altered to the extent that it does not comply with the standards promulgated
23 under s. 44.02 (24d):

24 1. If the sale, conveyance, or noncompliance occurs during the first year after
25 the date on which the preservation or rehabilitation is completed, 100 percent.

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1 2. If the sale, conveyance, or noncompliance occurs during the 2nd year after
2 the date on which the preservation or rehabilitation is completed, 80 percent.

3 3. If the sale, conveyance, or noncompliance occurs during the 3rd year after
4 the date on which the preservation or rehabilitation is completed, 60 percent.

5 4. If the sale, conveyance, or noncompliance occurs during the 4th year after
6 the date on which the preservation or rehabilitation is completed, 40 percent.

7 5. If the sale, conveyance, or noncompliance occurs during the 5th year after
8 the date on which the preservation or rehabilitation is completed, 20 percent.

9 **SECTION 14.** 71.07 (9r) (a) of the statutes is renumbered 71.07 (9r) (a) 1. and
10 amended to read:

11 71.07 (9r) (a) 1. ~~For~~ Except as provided in subd. 2., for taxable years beginning
12 on or after August 1, 1988, any natural person may claim as a credit against the taxes
13 otherwise due imposed under s. 71.02 or 71.08, up to the amount of those taxes, an
14 amount equal to 25% 25 percent of the costs of preservation or rehabilitation of
15 historic property located in this state, including architectural fees and costs incurred
16 in preparing nomination forms for listing in the national register of historic places
17 in Wisconsin or the state register of historic places, if the nomination is made within
18 5 years prior to submission of a preservation or rehabilitation plan under par. (b) 3.
19 b., and if the physical work of construction or destruction in preparation for
20 construction begins after December 31, 1988, except that the credit may not exceed
21 \$10,000, or \$5,000 for married persons filing separately, for any preservation or
22 rehabilitation project.

23 **SECTION 15.** 71.07 (9r) (a) 2. of the statutes is created to read:

24 71.07 (9r) (a) 2. For taxable years beginning after December 31, 2007, any
25 natural person may claim as a credit against the taxes imposed under s. 71.02 or

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1 71.08, up to the amount of those taxes, an amount equal to 30 percent of the costs of
2 preservation or rehabilitation of property that is located in a certified downtown
3 under s. 560.03 (21m) or is included in a business area revitalization under s.
4 560.081, including architectural fees and costs incurred in preparing nomination
5 forms for listing in the national register of historic places in Wisconsin or the state
6 register of historic places, if the nomination is made within 5 years prior to
7 submission of a preservation or rehabilitation plan under par. (b) 3. b., and if the
8 physical work of construction or destruction in preparation for construction begins
9 after December 31, 2007, except that the credit may not exceed \$10,000, or \$5,000
10 for married persons filing separately, for any preservation or rehabilitation project.

11 **SECTION 16.** 71.28 (6) (a) of the statutes is renumbered 71.28 (6) (a) 1. and
12 amended to read:

13 71.28 (6) (a) 1. ~~Any~~ Except as provided in subd. 2., any person may claim as a
14 credit against the taxes otherwise due imposed under this chapter s. 71.23, up to the
15 amount of those taxes, an amount equal to ~~5%~~ 5 percent of the costs of qualified
16 rehabilitation expenditures, as defined in section 47 (c) (2) of the ~~internal revenue~~
17 ~~code~~ Internal Revenue Code, for certified historic structures on property located in
18 this state, if the physical work of construction or destruction in preparation for
19 construction begins after December 31, 1988, and the rehabilitated property is
20 placed in service after June 30, 1989.

21 **SECTION 17.** 71.28 (6) (a) 2. of the statutes is created to read:

22 71.28 (6) (a) 2. a. Any person may claim as a credit against the taxes imposed
23 under s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the
24 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the
25 Internal Revenue Code, for certified historic structures on property located in a

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1 certified downtown under s. 560.03 (21m) or included in a business area
2 revitalization under s. 560.081, if the physical work of construction or destruction in
3 preparation for construction begins after December 31, 2007.

4 b. A person whose qualified rehabilitation expenditures do not satisfy the
5 adjusted basis requirement under section 47 (c) (1) of the Internal Revenue Code, but
6 who otherwise would be eligible to claim the rehabilitation credit under section 47
7 of the Internal Revenue Code, may claim as a credit against the taxes imposed under
8 s. 71.23, up to the amount of those taxes, an amount equal to 20 percent of the costs
9 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
10 Revenue Code, if the property is located in a certified downtown under s. 560.03
11 (21m) or is included in a business area revitalization under s. 560.081; if the person's
12 qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
13 Revenue Code, are at least \$10,000; if the rehabilitation is approved by the state
14 historical society before the physical work of construction, or destruction in
15 preparation for construction, begins; if the person includes evidence of such approval
16 with the person's return; if the physical work of construction, or destruction in
17 preparation for construction, begins after December 31, 2007; and if the person
18 claims the credit for the same taxable year in which the person would have claimed
19 the credit for federal purposes.

20 **SECTION 18.** 71.28 (6) (c) of the statutes is amended to read:

21 71.28 (6) (c) ~~No~~ Except as provided in par. (a) 2., no person may claim the a
22 credit under this subsection unless the claimant includes with the claimant's return
23 evidence that the rehabilitation was approved recommended by the state historic
24 preservation officer for approval by the secretary of the interior under 36 CFR 67.6
25 before the physical work of construction, or destruction in preparation for

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1 construction, began, and the claimant claims the credit for the same taxable year in
2 which the claimant would have claimed the credit for federal purposes.

3 **SECTION 19.** 71.28 (6) (g) of the statutes is created to read:

4 71.28 (6) (g) A person who has incurred qualified rehabilitation expenditures,
5 as defined in section 47 (c) (2) of the Internal Revenue Code, for certified historic
6 structures located in this state, as described in par. (a), but who is not a resident of
7 this state and who is not required to file a return under this chapter, may enter into
8 an agreement with another person, with the department's approval and in the
9 manner prescribed by the department, so that the other person may claim the credit
10 under this subsection, if the other person is subject to the taxes imposed under s.
11 71.23.

12 **SECTION 20.** 71.28 (6) (h) of the statutes is created to read:

13 71.28 (6) (h) A person who receives a credit under this subsection shall add to
14 the person's liability for taxes imposed under s. 71.23 one of the following
15 percentages of the amount of the credits received under this subsection for
16 rehabilitating or preserving the property if, within 5 years after the date on which
17 the preservation or rehabilitation work that was the basis of the credit is completed,
18 the person either sells or conveys the property by deed or land contract or the state
19 historical society certifies to the department of revenue that the historic property has
20 been altered to the extent that it does not comply with the standards promulgated
21 under s. 44.02 (24d):

22 1. If the sale, conveyance, or noncompliance occurs during the first year after
23 the date on which the preservation or rehabilitation is completed, 100 percent.

24 2. If the sale, conveyance, or noncompliance occurs during the 2nd year after
25 the date on which the preservation or rehabilitation is completed, 80 percent.

BILL**SECTION 20**

1 3. If the sale, conveyance, or noncompliance occurs during the 3rd year after
2 the date on which the preservation or rehabilitation is completed, 60 percent.

3 4. If the sale, conveyance, or noncompliance occurs during the 4th year after
4 the date on which the preservation or rehabilitation is completed, 40 percent.

5 5. If the sale, conveyance, or noncompliance occurs during the 5th year after
6 the date on which the preservation or rehabilitation is completed, 20 percent.

7 **SECTION 21.** 71.47 (6) (a) of the statutes is renumbered 71.47 (6) (a) 1. and
8 amended to read:

9 71.47 (6) (a) 1. Any Except as provided in subd. 2., any person may claim as a
10 credit against the taxes otherwise due imposed under this chapter s. 71.43, up to the
11 amount of those taxes, an amount equal to 5% 5 percent of the costs of qualified
12 rehabilitation expenditures, as defined in section 47 (c) (2) of the internal revenue
13 code Internal Revenue Code, for certified historic structures on property located in
14 this state, if the physical work of construction or destruction in preparation for
15 construction begins after December 31, 1988, and the rehabilitated property is
16 placed in service after June 30, 1989.

17 **SECTION 22.** 71.47 (6) (a) 2. of the statutes is created to read:

18 71.47 (6) (a) 2. a. Any person may claim as a credit against the taxes imposed
19 under s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the
20 costs of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the
21 Internal Revenue Code, for certified historic structures on property located in a
22 certified downtown under s. 560.03 (21m) or included in a business area
23 revitalization under s. 560.081, if the physical work of construction or destruction in
24 preparation for construction begins after December 31, 2007.

BILL

1 b. A person whose qualified rehabilitation expenditures do not satisfy the
2 adjusted basis requirement under section 47 (c) (1) of the Internal Revenue Code, but
3 who otherwise would be eligible to claim the rehabilitation credit under section 47
4 of the Internal Revenue Code, may claim as a credit against the taxes imposed under
5 s. 71.43, up to the amount of those taxes, an amount equal to 20 percent of the costs
6 of qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
7 Revenue Code, if the property is located in a certified downtown under s. 560.03
8 (21m) or is included in a business area revitalization under s. 560.081; if the person's
9 qualified rehabilitation expenditures, as defined in section 47 (c) (2) of the Internal
10 Revenue Code, are at least \$10,000; if the rehabilitation is approved by the state
11 historical society before the physical work of construction, or destruction in
12 preparation for construction, begins; if the person includes evidence of such approval
13 with the person's return; if the physical work of construction, or destruction in
14 preparation for construction, begins after December 31, 2007; and if the person
15 claims the credit for the same taxable year in which the person would have claimed
16 the credit for federal purposes.

17 **SECTION 23.** 71.47 (6) (c) of the statutes is amended to read:

18 71.47 (6) (c) No Except as provided in par. (a) 2., no person may claim the a
19 credit under this subsection unless the claimant includes with the claimant's return
20 evidence that the rehabilitation was approved recommended by the state historic
21 preservation officer for approval by the secretary of the interior under 36 CFR 67.6
22 before the physical work of construction, or destruction in preparation for
23 construction, began, and the claimant claims the credit for the same taxable year in
24 which the claimant would have claimed the credit for federal purposes.

25 **SECTION 24.** 71.47 (6) (g) of the statutes is created to read:

BILL

1 71.47 (6) (g) A person who has incurred qualified rehabilitation expenditures,
2 as defined in section 47 (c) (2) of the Internal Revenue Code, for certified historic
3 structures located in this state, as described in par. (a), but who is not a resident of
4 this state and who is not required to file a return under this chapter, may enter into
5 an agreement with another person, with the department's approval and in the
6 manner prescribed by the department, so that the other person may claim the credit
7 under this subsection, if the other person is subject to the taxes imposed under s.
8 71.43.

9 **SECTION 25.** 71.47 (6) (h) of the statutes is created to read:

10 71.47 (6) (h) A person who receives a credit under this subsection shall add to
11 the person's liability for taxes imposed under s. 71.43 one of the following
12 percentages of the amount of the credits received under this subsection for
13 rehabilitating or preserving the property if, within 5 years after the date on which
14 the preservation or rehabilitation work that was the basis of the credit is completed,
15 the person either sells or conveys the property by deed or land contract or the state
16 historical society certifies to the department of revenue that the historic property has
17 been altered to the extent that it does not comply with the standards promulgated
18 under s. 44.02 (24d):

19 1. If the sale, conveyance, or noncompliance occurs during the first year after
20 the date on which the preservation or rehabilitation is completed, 100 percent.

21 2. If the sale, conveyance, or noncompliance occurs during the 2nd year after
22 the date on which the preservation or rehabilitation is completed, 80 percent.

23 3. If the sale, conveyance, or noncompliance occurs during the 3rd year after
24 the date on which the preservation or rehabilitation is completed, 60 percent.

BILL

1 4. If the sale, conveyance, or noncompliance occurs during the 4th year after
2 the date on which the preservation or rehabilitation is completed, 40 percent.

3 5. If the sale, conveyance, or noncompliance occurs during the 5th year after
4 the date on which the preservation or rehabilitation is completed, 20 percent.

5 **SECTION 26.** 84.013 (3g) of the statutes is created to read:

6 84.013 (3g) Before commencing construction of a major highway project that
7 is listed under sub. (3) or approved under sub. (6) and that involves construction of
8 a bypass, the department shall notify the governing body of the city, village, or town
9 in which a majority of the land affected by the proposed bypass is located that the
10 department is authorized to construct such bypass. If, within 90 days after the date
11 of the department's notification, the governing body of the city, village, or town
12 adopts a resolution stating that construction of an active bypass is in the best public
13 interest of the city, village, or town and, within 7 days after adoption of the resolution,
14 sends a copy of the resolution to the department, the department shall design and
15 construct the major highway project as an active bypass. For purposes of this
16 subsection, an "active bypass" is a bypass of an existing highway that is designed and
17 constructed so that access to the bypass requires motorists to exit the existing
18 highway in order to travel upon the bypass. This subsection shall apply to the use
19 of any federal funds only to the extent that such use does not result in the loss of any
20 federal funds. This subsection does not apply to any major highway project that is
21 subject to a contract for its construction and that is in effect on the effective date of
22 this subsection [revisor inserts date].

23 **SECTION 27.** 86.19 (1) of the statutes is amended to read:

24 86.19 (1) Except as provided in sub. (1m) or (4m) or s. 84.01 (30) (g), no sign
25 shall be placed within the limits of any street or highway except such as are

BILL**SECTION 27**

1 necessary for the guidance or warning of traffic or as provided by ss. 60.23 (17m) and
2 66.0429. The authorities charged with the maintenance of streets or highways shall
3 cause the removal therefrom and the disposal of all other signs.

4 **SECTION 28.** 86.19 (4m) of the statutes is created to read:

5 **86.19 (4m)** In a business area that is the subject of revitalization efforts under
6 the State Main Street Program under s. 560.081 or that is a certified downtown
7 under s. 560.03 (21m), the holder of a privilege under s. 66.0425 may erect awning
8 or other signage that projects from a building over a sidewalk, provided that the
9 awning or other signage does not encroach upon the traveled portion of a highway
10 and the awning or other signage provides adequate clearance for equipment used to
11 maintain or clear the sidewalks of snow or debris. If the department removes an
12 awning or other signage erected under this subsection in connection with a state
13 highway project, the owner of the awning or other signage may not be compensated
14 for the removal, damage, or loss of the sign by local or state authorities.

15 **SECTION 29.** 86.36 of the statutes is created to read:

16 **86.36 Matching funds for local highway projects.** Notwithstanding any
17 other provision of law relating to the funding of local highway projects by the
18 department, if the department provides matching funds to a city, village, town, or
19 county on or after the effective date of this section [revisor inserts date], for a local
20 highway project involving the construction of one or more lanes of highway, the
21 department shall fund the construction of any lane of highway affected by the project
22 without regard to its designation as a travel lane or a parking lane. This section
23 applies only to local highway projects that involve a highway in a business area that
24 is the subject of revitalization efforts under the State Main Street Program under s.
25 560.081 (2) (e) or in a certified downtown under s. 560.03 (21m). This section shall

BILL

1 apply to the use of any federal funds only to the extent that such use does not result
2 in the loss of any federal funds.

3 **SECTION 30.** 86.37 of the statutes is created to read:

4 **86.37 Highway projects involving business and downtown areas. (1)**

5 In this section:

6 (a) “Business area” has the meaning given in s. 560.081 (1) (a).

7 (b) “Municipality” means a city, village, or town.

8 **(2)** In the preliminary stages of considering and planning any highway project
9 to be funded by the department that involves a highway in which a business area that
10 is the subject of revitalization efforts under the State Main Street Program under s.
11 560.081 (2) (e) or a certified downtown under s. 560.03 (21m) is located, the
12 department shall consult on issues concerning the proposed highway project and its
13 effects on the business or certified downtown area with the department of commerce
14 and, unless no such board or organization exists, with the business improvement
15 district board appointed under s. 66.1109 (3) (a), the main street board associated
16 with the State Main Street Program under s. 560.081 (2) (e), or the nonprofit
17 downtown planning organization of that municipality. This subsection does not
18 apply to any highway project for which preliminary engineering was begun before
19 the effective date of this subsection [revisor inserts date].

20 **(3)** Notwithstanding any other provision of law relating to highway projects
21 funded by the department, the department shall give priority to the retention of any
22 on-street parking with respect to a highway project involving the widening of a
23 highway in which a business area that is the subject of revitalization efforts under
24 the State Main Street Program under s. 560.081 or a certified downtown under s.
25 560.03 (21m) is located. This subsection shall apply to the use of any federal funds

BILL**SECTION 30**

1 only to the extent that such use does not result in the loss of any federal funds. This
2 subsection does not apply to any highway project that is subject to a contract for its
3 construction and that is in effect on the effective date of this subsection [revisor
4 inserts date].

5 **SECTION 31.** 101.121 (3) (c) of the statutes is created to read:

6 101.121 (3) (c) The Historic Building Code shall be liberally interpreted to
7 facilitate the preservation and restoration of qualified historic buildings.

8 **SECTION 32.** 101.121 (4) (a) of the statutes is renumbered 101.121 (4) (a) 1.

9 **SECTION 33.** 101.121 (4) (a) 2. of the statutes is created to read:

10 101.121 (4) (a) 2. Upon the request of the owner of a qualified historic building
11 who elects under subd. 1. to be subject to the Historic Building Code, the department
12 shall review any decision of a city, village, town, or county that requires the owner
13 to comply with a provision of a county or municipal building code, or of any other local
14 ordinance or regulation, to determine if the provision concerns a matter dealt with
15 in the Historic Building Code. The procedures in s. 101.02 (7) apply to any review
16 conducted by the department under this subdivision.

17 **SECTION 34.** 101.121 (4) (b) of the statutes is amended to read:

18 101.121 (4) (b) Paragraph (a) 1. does not apply to any owner of a nursing home,
19 as defined in s. 50.01 (3), a hospital, as defined in s. 50.33 (2) (a) and (c), or an
20 approved public or private treatment facility for alcoholics, as defined in s. 51.45 (2)
21 (b) and (c).

22 **SECTION 35.** 101.121 (5) of the statutes is created to read:

23 101.121 (5) **ADVISORY OPINION OF STATE HISTORICAL SOCIETY.** (a) The owner of a
24 qualified historic building may submit to the state historical society a request for an
25 advisory opinion with respect to any decision of the department, or of a city, village,

BILL

1 town, or county that is an agent of the department, if the decision pertains to any of
2 the following:

3 1. This section or a rule promulgated under this section, except for a decision
4 of the department under sub. (4) (a) 2.

5 2. A variance to a rule promulgated under this section.

6 3. The inspection of a qualified historic building for compliance with a rule
7 promulgated under this section.

8 (b) Upon receiving a request under par. (a), the state historical society shall
9 review all information related to the decision and shall render a written opinion on
10 each of the following:

11 1. Whether the decision is consistent with this section and the rules
12 promulgated under this section.

13 2. Whether the alternative decision requested by the owner of the qualified
14 historic building, or any other alternative decision, is consistent with this section and
15 the rules promulgated under this section.

16 (c) The state historical society may negotiate with the department or the city,
17 village, town, or county and the owner of the qualified historic building to seek
18 agreement on an alternative decision that will allow the greatest possible degree of
19 restoration and preservation of the qualified historic building, while continuing to
20 meet the standards for the health, safety, and welfare of occupants of and visitors to
21 the qualified historic building.

22 (d) The department or a city, village, town, or county may modify any decision
23 described under par. (a) based on negotiations with the state historical society.

24 (e) This subsection does not modify any procedures for appeal of a decision of
25 the department or of a city, village, town, or county under this section.

BILL**SECTION 36**

1 **SECTION 36.** 101.121 (6) of the statutes is created to read:

2 101.121 (6) INFORMATIONAL PAMPHLET. (a) In cooperation with the state
3 historical society, the department shall develop an informational pamphlet designed
4 to increase awareness and use of the Historic Building Code. The department, in
5 cooperation with the State Historical Society, shall update the pamphlet as statutes
6 and rules relating to the Historic Building Code are amended. The pamphlet shall
7 include all of the following information:

8 1. A description of the Historic Building Code.

9 2. A description of the types and qualities of buildings that are subject to the
10 Historic Building Code.

11 3. An explanation of how the owner of a qualified historic building may elect
12 to be subject to the Historic Building Code and a description of the consequences of
13 that election.

14 4. A description of other alternative building codes that the owner of a historic
15 building may be eligible to use.

16 5. A description of where a person may obtain further information regarding
17 historic buildings and the Historic Building Code.

18 (b) The department and the state historical society shall distribute the
19 pamphlets as they consider necessary to increase awareness of the Historic Building
20 Code.

21 **SECTION 37.** 101.19 (1) (intro.) of the statutes is amended to read:

22 101.19 (1) (intro.) The department, ~~by rule promulgated under ch. 227,~~ shall
23 ~~fix and collect~~ promulgate rules establishing and providing for the collection of fees
24 which shall, as closely as possible, equal the cost of providing the following services:

25 **SECTION 38.** 101.975 (4) of the statutes is created to read:

BILL

1 101.975 (4) (a) A political subdivision may adopt an ordinance that permits the
2 political subdivision to grant a variance to the Uniform Multifamily Dwelling Code
3 if all of the following apply:

4 1. The ordinance permits only a variance that relates to handrails or guardrails
5 of qualified historic buildings, as defined in s. 101.121 (2) (c), that are converted from
6 single-family dwellings to multifamily dwellings.

7 2. The ordinance requires the owner of a qualified historic building who seeks
8 a variance to provide the political subdivision with evidence that the type, height,
9 and design of the handrail or guardrail proposed for installation is historically
10 appropriate for the owner's building.

11 (b) A political subdivision may grant a variance under an ordinance adopted
12 under par. (a) if the owner seeking the variance provides the evidence required under
13 par. (a) 2. and if the handrail or guardrail installation is at least as protective of
14 public safety as the handrail or guardrail that would otherwise have been required.

15 **SECTION 39.** 227.01 (13) (zy) of the statutes is created to read:

16 227.01 (13) (zy) Establishes guidelines pursuant to s. 560.083 to aid
17 communities in reconstructing central business districts that are destroyed or
18 severely damaged in major disasters.

19 **SECTION 40.** 254.61 (1) (f) 2. of the statutes is amended to read:

20 254.61 (1) (f) 2. A structural addition, including a renovation, made to a
21 structure that was originally constructed at least 50 years before an initial or
22 renewal application for a permit under s. 254.64 (1) (b) is made and for which no use
23 other than as a bed and breakfast establishment is proposed. The structural addition
24 under this subdivision shall comply with the rules promulgated under s. 101.63 (1)
25 and (1m).

BILL

1 **SECTION 41.** 560.03 (21m) of the statutes is created to read:

2 **560.03 (21m)** (a) Promulgate rules for the certification of downtowns by the
3 department. The rules promulgated under this subsection shall require the
4 department to consider at least all of the following factors with regard to an area
5 being a certified downtown:

6 1. Whether the area is or is located in a central business district.

7 2. The extent to which the structures located in the area are in commercial use,
8 or zoned for commercial use, and oriented for pedestrian traffic.

9 3. The compactness of the area and the extent to which the area includes a
10 regular pattern of sidewalks facilitating commercial activity by pedestrians.

11 4. The extent to which the linear street frontage in the area is set back from
12 the sidewalk.

13 5. The historical value of the area.

14 (b) Ensure that the rules promulgated under par. (a) permit multiple areas
15 within a populous city, village, or town to be certified downtowns.

16 (c) Support and assist certified downtowns by directing the department's
17 resources, whenever appropriate, to certified downtowns.

18 **SECTION 42.** 560.083 of the statutes is created to read:

19 **560.083 Central business district reconstruction guidelines.** The
20 department shall develop and publish guidelines to aid communities in
21 reconstructing central business districts that are destroyed or severely damaged in
22 major disasters. The guidelines shall include information on relevant financial and
23 other assistance available to communities from the state government.

24 **SECTION 43.** 823.21 of the statutes is amended to read:

BILL

1 **823.21 Dilapidated buildings declared nuisances.** Any building which,
2 under s. 66.0413 (1) (b) 1., has been declared so ~~old~~, dilapidated or out of repair as
3 to be dangerous, unsafe, unsanitary, or otherwise unfit for human habitation or has
4 been determined to be unreasonable to repair under s. 66.0413 (1) (b) 1. is a public
5 nuisance and may be proceeded against under this chapter.

SECTION 44. Nonstatutory provisions.

7 (1) CERTIFIED DOWNTOWNS AND BUSINESS DISTRICT RECONSTRUCTION. The
8 authorized FTE positions for the department of commerce are increased by 2.0 PR
9 positions, to be funded from the appropriation under section 20.143 (1) (gb) of the
10 statutes, as created by this act, for the purpose of providing increased staff for the
11 administration of sections 560.03 (21m) and 560.083 of the statutes, as created by
12 this act.

13 (2) HISTORICAL SOCIETY. The authorized FTE positions for the historical society
14 are increased by 1.0 PR position, to be funded from the appropriation under section
15 20.245 (1) (ks) of the statutes, for the purpose of providing increased staff for the
16 administration section 44.02 (24d) (a) of the statutes, as created by this act.

SECTION 45. Fiscal changes.

18 (1) SURVEY OF RURAL HISTORIC BUILDINGS. In the schedule under section 20.005
19 (3) of the statutes for the appropriation to the state historical society under section
20 20.245 (1) (a) of the statutes, as affected by the acts of 2007, the dollar amount is
21 increased by \$75,000 for fiscal year 2007–08 and the dollar amount is increased by
22 \$75,000 for fiscal year 2008–09 for the purpose of entering into a contract for a survey
23 under section 44.34 (1) of the statutes to identify and document historic properties
24 in rural areas of the state.

SECTION 46. Initial applicability.

BILL**SECTION 46**

1 (1) HISTORIC REHABILITATION TAX CREDITS. The treatment of sections 44.02 (24d),
2 71.07 (9m) (c), (g), and (h), 71.28 (6) (c), (g), and (h), 71.47 (6) (c), (g), and (h) of the
3 statutes, the renumbering of section 44.02 (24) of the statutes; the renumbering and
4 amendment of sections 71.07 (9m) (a), 71.07 (9r) (a), 71.28 (6) (a), and 71.47 (6) (a)
5 of the statutes; and the creation of sections 44.02 (24) (b), 71.07 (9m) (a) 2. and (9r)
6 (a) 2., 71.28 (6) (a) 2., and 71.47 (6) (a) 2. of the statutes first apply to taxable years
7 beginning on January 1, 2008.

8 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1222/2dn

CTS:.....

wlj

Representative Shilling:

This draft is identical to LRB-1073/2.

Christopher T. Sundberg
Legislative Attorney
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1222/2dn
CTS:wlj:rs

April 24, 2007

Representative Shilling:

This draft is identical to LRB-1073/2.

Christopher T. Sundberg
Legislative Attorney
Phone: (608) 266-9739
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Basford, Sarah

From: Houdek2, Nathan
Sent: Tuesday, April 24, 2007 10:39 AM
To: LRB.Legal
Subject: Draft Review: LRB 07-1222/2 Topic: Historic buildings, downtown development, and major highway projects

Please Jacket LRB 07-1222/2 for the ASSEMBLY.

8/30 Nathan/Schilling

Redraft LRB-1222 to incorp changes
to Sen Companion (LRB-1073/3)

Memo

To: Representative **Shilling**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2007 session draft.

LRB Number: 2007 LRB-1222

Version: " /2 "

Fiscal Estimate Prepared By: (agency abbr.) COMM

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 05 / 15 / 2007

*** * * * ***

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

> **If redrafted** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.

> **If introduced** ... and the version of the attached fiscal estimate is for a **previous version** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version. Have Mike (or Christina) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

> **If introduced** ... and the version of the attached fiscal estimate is for the **current version** ... please write the draft's introduction number below and give to Mike (or Christina) to process.

THIS DRAFT WAS INTRODUCED AS: 2007 _____

Barman, Mike

From: Barman, Mike
Sent: Tuesday, May 15, 2007 8:40 AM
To: Rep.Shilling
Cc: Houdek2, Nathan
Subject: LRB 07-1222/2 (un-introduced) (FE by COMM - attached - for your review)

Attachments: FE_Shilling.PDF



FE_Shilling.PDF
(592 KB)

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-1222/2		Introduction Number	
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"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Create New Appropriations		<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	
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 type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	
COMM/ Debra Miller (608) 266-8603		Louie Cornelius (608) 266-8629	
		Date	
		5/14/2007	

Fiscal Estimate Narratives

COMM 5/15/2007

LRB Number	07-1222/2	Introduction Number	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

LRB 07-1222/2 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 proposed 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.

LRB 07-1222/2 creates an appropriation and authorizes 2.0 FTE positions 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 would be able to absorb these rule promulgation expenses within its current resources.

The proposed legislation 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 25 projects with an average of \$680,000 in qualified rehabilitation expenditures.

2.0 FTE Grants Specialist-Advanced
Salary: \$87,200
Fringe: \$37,900
Overhead: \$16,600
Rent: \$ 7,000
Supplies and Services: \$10,000
One-Time Costs: \$14,000

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1222/2		Introduction Number	
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			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$14,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$125,100	\$0	
(FTE Position Changes)	(2.0 FTE)	(0.0 FTE)	
State Operations - Other Costs	33,600	0	
Local Assistance	0	0	
Aids to Individuals or Organizations	0	0	
TOTAL State Costs by Category	\$158,700	\$0	
B. State Costs by Source of Funds			
GPR	0	0	
FED	0	0	
PRO/PRS (PRO)	158,700	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, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$0	\$0	
GPR Earned	0	0	
FED	0	0	
PRO/PRS (PRO)	158,700	0	
SEG/SEG-S	0	0	
TOTAL State Revenues	\$158,700	\$0	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$158,700	\$0	
NET CHANGE IN REVENUE	\$158,700	\$0	
Agency/Prepared By		Authorized Signature	Date
COMM/ Debra Miller (608) 266-8603		Louie Cornelius (608) 266-8629	5/14/2007

Memo

To: Representative **Shilling**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2007 session draft.

LRB Number: 2007 LRB-1222

Version: "/2"

Fiscal Estimate Prepared By: (agency abbr.) DOA

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 05 / 04 / 2007

*** * * * ***

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

> **If redrafted ...** please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.

> **If introduced ...** and the version of the attached fiscal estimate is for a **previous version ...** please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version. Have Mike (or Christina) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

> **If introduced ...** and the version of the attached fiscal estimate is for the **current version ...** please write the draft's introduction number below and give to Mike (or Christina) to process.

THIS DRAFT WAS INTRODUCED AS: 2007 _____

Barman, Mike

From: Barman, Mike
Sent: Friday, May 04, 2007 9:15 AM
To: Rep.Shilling
Cc: Houdek2, Nathan
Subject: LRB 07-1222/2 (Un-Introduced) (FE by DOA - attached - for your review)

Attachments: FE_Shilling.PDF



FE_Shilling.PDF
(393 KB)

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov

Fiscal Estimate - 2007 Session

- Original Updated Corrected Supplemental

LRB Number 07-1222/2		Introduction Number	
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"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs	
<input type="checkbox"/> Decrease Existing Appropriations			
<input type="checkbox"/> Create New Appropriations			
Local:			
<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenue		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			
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	Authorized Signature	Date	
DOA/ Nancy Foss (608) 266-5877	Martha Kerner (608) 266-1359	5/3/2007	

Fiscal Estimate Narratives

DOA 5/4/2007

LRB Number	07-1222/2	Introduction Number	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

For the Department of Administration, the bill's provisions that relate to support of the Building Commission or the leasing of facilities are those considered in this estimate.

The bill would require downtown locations for new state office buildings for certified Main Street communities unless the cost of locating downtown is more than 10% greater than the average cost of sites in the geographic service area that are not downtown. Few new buildings may be expected in the foreseeable future and the analysis on such cost can be done as part of capital budget reviews. Thus, the agency would absorb the cost of the analysis. It is not possible to determine whether any particular downtown location might cost more or less than the average cost measure defined in the bill until specific facilities are being located.

The bill would also require the Building Commission not to approve leases for state office facilities to be located outside of downtown for certified Main Street communities unless the cost of locating downtown is more than 10% greater than the average cost for facilities in the geographic service area outside downtown. DOA leasing staff conducted an analysis of present leases in Main Street areas, based on a 10% higher cost rate, and estimated this provision might cost an additional \$133,600 in lease costs to be paid by state agencies. Actual costs, however, would depend on the actual leases and their terms. Additionally, if all applicable offices would have to relocate as a result of the bill's provisions on leases, the moving costs might be another \$209,200.

Local costs are unknown.

Long-Range Fiscal Implications

Unknown.

Memo

To: Representative **Shilling**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2007 session draft.

LRB Number: 2007 LRB-1222

Version: " /2 "

Fiscal Estimate Prepared By: (agency abbr.) DOR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 05 / 11 / 2007

*** * * * ***

To: LRB – Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

- > **If redrafted** ... please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.
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- > **If introduced** ... and the version of the attached fiscal estimate is for the **current version** ... please write the draft's introduction number below and give to Mike (or Christina) to process.

THIS DRAFT WAS INTRODUCED AS: 2007 _____

Barman, Mike

From: Barman, Mike
Sent: Friday, May 11, 2007 8:28 AM
To: Rep.Shilling
Cc: Houdek2, Nathan
Subject: LRB 07-1222/2 (un-introduced) (FE by DOR - attached - for your review)

Attachments: FE_Shilling_1.PDF



FE_Shilling_1.PDF
(602 KB)

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-1222/2		Introduction Number	
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 type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input 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 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	5/10/2007

Fiscal Estimate Narratives

DOR 5/11/2007

LRB Number	07-1222/2	Introduction Number	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

CURRENT LAW

Two nonrefundable credits are currently available to encourage the rehabilitation of historic buildings in Wisconsin: a supplement to the federal historic rehabilitation credit for commercial properties and a state credit for non-commercial properties.

The supplement to the federal historic rehabilitation credit, equal to 5% of qualified rehabilitation expenditures, can be claimed for projects that are eligible for the federal credit to substantially rehabilitate certified historic buildings for use in a trade or business. The credit is patterned after the federal 20% credit for commercial rehabilitation of historic buildings. Claimants must submit evidence to the Department of Revenue that the rehabilitation work was approved by the Secretary of the Interior before construction began. The rehabilitation work must meet historic preservation standards and the expenditures must exceed the taxpayer's adjusted basis in the building. Unused amounts of the credit can be carried forward for up to 15 years.

The state historic rehabilitation credit is equal to 25% of qualified expenditures to substantially rehabilitate certified historic buildings for owner-occupied personal residences not used in the course of a trade or business. The rehabilitation work must meet historic preservation standards and the expenditures must exceed \$10,000. The maximum credit amount is \$10,000 (\$5,000 for married persons filing separately). Unused amounts of credit can be carried forward for up to 15 years.

DESCRIPTION OF THE BILL

Beginning in tax year 2008, the bill increases the amount of the supplemental state credit from 5% to 20% for rehabilitated property located in a certified downtown or a business revitalization area under the State Main Street Program designated by the Department of Commerce. The claimant must have approval for the rehabilitation from the State Historical Society.

Additionally, individuals who are not eligible for the federal historic rehabilitation credit because qualified rehabilitation expenditures do not satisfy the adjusted basis requirement will be allowed to claim the supplemental state credit in an amount equal to 20% of qualified expenses if the following conditions are met. The qualified expenses must be at least \$10,000, the project must be certified by the State Historical Society, and the rehabilitated property must be located in a certified downtown or a business revitalization area under the State Main Street Program. Claimants must claim the credit for the same taxable year as the credit would have been claimed for federal purposes.

If the property owner is a nonresident of Wisconsin who is not required to file an income tax return, the bill allows the owner to enter into an agreement with another person so that the other person may claim the supplemental state credit. The agreement requires approval from the Department of Revenue.

All or a portion of the supplemental credit must be paid back to the state if the property is sold or conveyed or the State Historical Society determines that the property has been altered to the extent that it does not comply with the standards for rehabilitation.

Beginning in tax year 2008, the bill also increases the state credit rate for owner-occupied residences to 30% provided that the rehabilitated property is located in a certified downtown or a business revitalization area under the State Main Street Program and the claimant has approval for the rehabilitation from the State

Historical Society.

FISCAL ESTIMATE

Data are not available to estimate the number of potential federal historic rehabilitation credit claimants who do not meet the adjusted basis requirement. Additionally, the credits are designed to promote historic rehabilitation, but data are also not available to estimate the increased participation that would result from increasing the credits' rates for certified downtowns and business revitalization areas. Consequently the fiscal effect of the bill is unknown.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1222/2		Introduction Number	
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			
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, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$SeeText	\$
Agency/Prepared By		Authorized Signature	Date
DOR/ Bradley Caruth (608) 261-8984		Rebecca Boldt (608) 266-6785	5/10/2007



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

May 11, 2007

MEMORANDUM

To: Representative Shilling

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **2007 (un-introduced) (LRB-1222/2) by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. With regard to DOR's first point, the references to s. 71.08 should be deleted.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

May 10, 2007

TO: Christopher Sundberg
Marc Shovers
Mary Gibson-Glass
Gordon Malaise
Joseph Kreye
Jeffery Kuesel
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on LRB 1222/02: Regulation of Historic Buildings;
Historic Rehabilitation Credits; Certification and Promotion of Downtowns;
Highway Projects; Rulemaking Authority and Appropriations

The Department has the following concerns related to the bill:

References to s. 71.08

Section 71.07(9m)(a)1., 2.a. and b.,(g), (h) and (9r)(a)1.and 2. refer to claiming the credit against taxes imposed under s. 71.02 or 71.08. Because the order of computation in s. 71.10(4) provides that both of the historic rehabilitation credits are claimed before the alternative minimum tax, the references to s. 71.08 should be deleted.

Transferability of tax credits

Section 71.07(9m)(g) provides that a nonresident of Wisconsin who is not required to file a Wisconsin return may enter into an agreement with another person so that the other person may claim the credit. Because the credit only applies to depreciable property (rental or other property used in a trade or business), it is unlikely that the owner of the property would not be required to file a Wisconsin return. A nonresident of Wisconsin is required to file a return if gross income from such property and other Wisconsin sources is \$2,000 or more. Furthermore, any income received from transferring the credit would be taxable. It is unclear why a nonresident would transfer a credit.

The bill provides that a "person who receives a credit" must repay that credit if the property is sold within five years or the property has been altered to the extent that it does not comply with the standards. Since there are no requirements to report transfers of tax credits, it appears that

the person who receives the credit is the property owner. Unless the bill sponsor wants to establish a new bureaucracy to whom all credit transfers must be reported, the bill should clarify that the property owner is required to repay any credit that has been disallowed, even though that credit may have been transferred to another person.

Sections 71.28(6)(g) and 71.47(6)(g) provide that a nonresident corporation or insurance company who is not required to file a Wisconsin return may enter into an agreement with another person so that the other person may claim the credit. With respect to a corporation, the term "nonresident" needs to be defined. One possibility is defining a nonresident corporation as a corporation not domiciled in Wisconsin as that term is defined in s. 71.22(1g). Unlike an individual, a corporation that owns property in Wisconsin is required to file a Wisconsin return, regardless of the amount of income earned. As with s. 71.07(9m)(g), the statute should specify who must repay a credit that is disallowed.

Statute of limitations

The bill provides that the credit is to be claimed for the same taxable year in which the claimant would have claimed the credit for federal purposes. Under federal law, the credit is either claimed when the project is complete or as progress is being made, depending on the facts and circumstances. If a taxpayer elects to claim the expenditures as they have been paid rather than when the project is completed, the statutes should provide that the taxpayer must file an election form with the department and agree that notwithstanding s. 71.77, the department may adjust or disallow the credit claimed within four years after the date that the State Historical Society notifies the department that the preservation or rehabilitation is not in compliance with the standards under s. 44.02(24), Stats.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@dor.state.wi.us.

Barman, Mike

From: Barman, Mike
Sent: Friday, June 01, 2007 9:20 AM
To: Rep.Shilling
Subject: LRB 07-1222/2 (un-introduced) (Tech. Memo by DOR - attached - for your review) (w/attorney comments)

Attachments: Tech_Memo_Shilling.PDF



Tech_Memo_Shilling
.PDF (163 KB...)

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov

Memo

To: Representative **Shilling**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2007 session draft.

LRB Number: 2007 LRB-1222

Version: " /2 "

Fiscal Estimate Prepared By: (agency abbr.) DOT

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 05 / 15 / 2007

*** * * * ***

To: LRB – Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

- > **If redrafted ...** please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.
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THIS DRAFT WAS INTRODUCED AS: 2007 _____

Barman, Mike

From: Barman, Mike
Sent: Tuesday, May 15, 2007 9:53 AM
To: Rep.Shilling
Cc: Houdek2, Nathan
Subject: LRB 07-1222/2 (un-introduced) (FE by DOT - attached - for your review)

Attachments: FE_Shilling.PDF



FE_Shilling.PDF
(703 KB)

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-1222/2	Introduction Number	
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 type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
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"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities 2. <input checked="" type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS Affected Ch. 20 Appropriations		
Agency/Prepared By DOT/ Dennis Leong (608) 266-9910	Authorized Signature Julie Johnson (608) 267-3703	Date 5/15/2007

Fiscal Estimate Narratives
DOT 5/15/2007

LRB Number	07-1222/2	Introduction Number	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

1. This Bill requires DOT to consult with State Main Street communities and other certified downtowns recognized by the Department of Commerce when a highway improvement project will have an impact on the downtown area. DOT must give priority to retaining the on-street parking when a highway project widens the streets for through traffic in the downtown area. (Assumption: The public outreach requirement for the DOT to contact communities impacted by construction of highway projects in the downtown area will not likely result in additional hours or costs on the District staff. As a matter of practice, District project managers and their contractors meet regularly with local officials and residents in advance of upcoming transportation projects. District staff helps the local communities develop and provide alternative access to downtown businesses. Discussions and actions are taken to mitigate project impacts to the communities. Discussions and negotiations regarding the retention of on-street parking can be included in these pre-project District outreach meetings.)

2. This Bill requires DOT to pay for the resurfacing and rehabilitation of parking lanes when the Department is making improvements to the travel lanes for Main Street and certified communities under the Department of Commerce. (Assumption: There are currently 20 out of 36 Main Street communities in the Department of Commerce program that have state highways passing through the central business districts. In the Department's Six-Year Highway Improvement Plan (2006-2011), it is estimated that 8 Main Street communities could have construction projects in the downtown area. The Department of Commerce estimated another six downtown business districts that might seek certification within the next 2-6 years. This certification process would qualify these six (or more) communities for parking lane resurfacing or reconstruction costs from DOT. The parking lanes associated with the boundaries of the main street business district along a state highway varies between 8-14 blocks in length.) Fiscal impact analysis is based on the following two scenarios:

A. Assuming 8 Main Street communities and 6 additional certified business districts qualify for resurfacing and reconstruction for 8 blocks of parking lanes for years 2006-2011.

Resurfacing (asphalt) for 14 downtown districts @ 8 blocks per district = \$833,350 Reconstruct (asphalt) 14 downtown districts @ 8 blocks per district = \$1,166,704 Reconstruct (concrete) 14 downtown districts @ 8 blocks per district = \$1,500,044

B. Assuming 8 Main Street communities and 6 additional certified business districts qualify for resurfacing and reconstruction for 14 blocks per business district of parking lanes for years 2006-2011.

Resurfacing (asphalt) for 14 downtown districts @ 14 blocks per district = \$1,276,072 Reconstruct (asphalt) 14 downtown districts @ 14 blocks per district = \$1,786,512 Reconstruct (concrete) 14 downtown districts @ 14 blocks per district = \$2,296,504

Assumptions A & B above did not factor in the additional costs associated with converting the street parking lanes into travel lanes that may be necessary in order to add more traffic capacity to the highway. Under this scenario, there may be a need to create new street parking lanes for the downtown businesses due to the conversion of the existing street parking lanes for the through traffic. Creating new parking lanes would require securing additional property for the right-of-way, the possible relocation of buildings, utilities, sidewalks and other community related infrastructure. No fiscal estimate was attempted due to variance in the costs among the potentially affected communities.

*NOTE: Under current law, if a community wants parallel parking along the marked route of a State Trunk

Highway within their municipal boundaries; the municipality must pay for the parking per State Statute 86.32 (4) and agree to maintain those parking lanes. Under this bill, DOT pays for parking lanes for the Main Street and certified business district status, but not for parking lanes on other connecting highways. A "connecting highway" is a marked route of a State Trunk Highway on a street or highway in a municipality designated as a connecting highway under State Statute 86.32(1).

3. The Bill requires the DOT to notify the governing body of the city, village, or town before the commencing the construction of a bypass. If within 90 days after the date of the department's notification, the local governing body adopts a resolution stating that the construction of an active bypass is in the best public interest and within 7 days after adoption of the resolution, sends a copy of the resolution to the department (DOT), the department shall design and construct the major highway project as an active bypass. An active bypass is a bypass of an existing highway that is designed and constructed so that access to the bypass requires motorists to exit the existing highway in order to travel upon the bypass. This shall apply to the use of any federal funds only to the extent that such use does not result in the loss of any federal funds.

The proposed design was based on the concept of a directional split, similar to the interchange in Tomah where I-90 and I-94 splits into two interstate highways. This scenario gives the drivers time to make a decision to merge into the lanes that would either take them into the community or choose the route that would bypass the community. This scenario may require more right-of-way in order to construct the additional lanes, transitional lanes, and additional signage needed to inform drivers well in advance of the directional split.

In order to maintain driver expectancy and consistency, that is, keeping the through lanes on the left and lanes leaving the main roadway to the right, it would be necessary to construct three bridges or structures for two active bypasses. Cost breakdown for an "active" bypass includes: Directional Split or Major Fork at both ends of the community

\$14,994,201 - Costs for an active bypass (includes three bridges to accommodate right exits from the main highway in order to address driver expectancy concerns)

\$11,742,825 - Costs for a typical bypass design, (construction of diamond interchanges at both ends of the community)

\$3,251,376 - estimated cost difference between active bypass and typical bypass)

Long-Range Fiscal Implications

The Bill authorizes the Department of Commerce to certify downtown business districts. Upon certification, these business districts will be qualified to receive DOT assistance to resurface and reconstruct parking lanes. The long-range fiscal implications are based upon how many of these business districts will become certified in the future. It is possible that every community where a highway project runs through the downtown business district will ask to be certified and thus qualify for parking lane improvements. Based upon a scan of the list of highway projects in the six-year highway construction plan from 2006-2011, there are potentially 40 communities that construction may impact their business districts. Estimated impact for the next Six-Year Highway Improvement Plan (2006-2011) ranges between 1-40 projects or between \$59,525 to \$6,561,440.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1222/2		Introduction Number	
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			
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		2,000,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$2,000,000	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S		2,000,000	
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			
		State	Local
NET CHANGE IN COSTS		\$2,000,000	\$ -2,000,000
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOT/ Dennis Leong (608) 266-9910		Julie Johnson (608) 267-3703	5/15/2007

Memo

To: Representative **Shilling**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2007 session draft.

LRB Number: 2007 LRB-1222

Version: "/2 "

Fiscal Estimate Prepared By: (agency abbr.) SHS

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 05 / 16 / 2007

*** * * * ***

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

> **If redrafted ...** please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.

> **If introduced ...** and the version of the attached fiscal estimate is for a **previous version ...** please insert this cover sheet and attached early fiscal estimate into the drafting file ... after the draft's old version (the version that this fiscal estimate was based on), and before the markup of the draft on the updated version.

Have Mike (or Christina) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

> **If introduced ...** and the version of the attached fiscal estimate is for the **current version ...** please write the draft's introduction number below and give to Mike (or Christina) to process.

THIS DRAFT WAS INTRODUCED AS: 2007 _____

Barman, Mike

From: Barman, Mike
Sent: Wednesday, May 16, 2007 10:18 AM
To: Rep.Shilling
Cc: Houdek2, Nathan
Subject: LRB 07-1222/2 (un-introduced) (FE by SHS - attached - for your review)

Attachments: FE_Shilling.PDF



FE_Shilling.PDF
(564 KB)

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1222/2	Introduction Number	
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 checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <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 checked="" 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 checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.143 (1) (gb)		
Agency/Prepared By SHS/ David Seligman (608) 264-6434	Authorized Signature David Seligman (608) 264-6434	Date 5/16/2007

Fiscal Estimate Narratives

SHS 5/16/2007

LRB Number	07-1222/2	Introduction Number	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

Increased revenues from fees for certification of historic income-producing projects are estimated to be \$155,000. These fees are based on 1% of the rehabilitation costs up to a maximum of \$10,000 fee per project, since the law allows a 2% fee but requires 50% of the fee to be returned over to the Department of Commerce. Fees for review of historic owner-occupied projects are estimated at \$150 per project for 200 projects for a total of \$30,000. New paperwork will be generated by charging and collecting fees requiring a 20% Operations Program Associate B at \$14.374/hr. per hour and 57.1% fringe rate.

We estimate that 100 Wisconsin downtowns will be certified by the Department of Commerce including 40 current and former Main Street communities. Furthermore, we estimate that each of these downtowns will generate an average of one income-producing project per year generating 100 projects per year (50 large and 50 medium) generating the need for 2 additional Preservation Architects (Senior) at \$24.421/hr., 57.1% fringe rate for a permanent staff person. We estimate that one architect can coordinate 35 large projects or 90 medium or 150 small projects in one year. Each certification will require 1 hour of Historic Preservation Specialist to review Part 1 certifications and will need to review and process 10 new National Register nominations per year requiring 522 hours (10% of projects will require listing) at \$19.93 per hour plus 57.1% fringe. Operations Program Associate B to track projects, provide general program support and assistance estimate at 2 hours per project at \$14.373 per hour plus 57.1% fringe.

We estimate that the certified downtown will generate 25 applications per year for tax credits on owner-occupied residential buildings. These projects will generate the workload of a 17% FTE Preservation Architect and \$24.421/hr. and 57.1% fringe rate. Each certification will require 2 hours of Historic Preservation Specialist to review Part 1 certifications at \$19.93/hr. plus 57.1% fringe. Operations Program Associate B to track projects, provide general program support and assistance estimated at 2 hours per project at \$14.374/hr. plus 57.1% fringe.

Providing opinions on the 82 anticipated building code appeals per year @ 24 hours per appeal (1,968 hours or 94% of a Preservation Architect Senior at \$24.4421/hr. plus a 57.1% fringe rate for permanent Preservation Architect.

70 hours (3% FTE LTE) for preservation of the Building Code pamphlet, presentations and articles for Commerce. Requires a Preservation Architect LTE at \$20.699/hr. plus 19% LTE fringe rate. This is a one year position.

To manage rural historic building survey, 200 hours (10% FTE LTE) to develop, prepare RFP, review, supervise and coordinate contract employees (Historic Preservation Specialist LTE) at \$19.93/hr. plus 19% fringe rate for LTE. This is a two-year position.

Long-Range Fiscal Implications

Continuing annual costs.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 07-1222/2		Introduction Number	
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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		\$278,700	\$
(FTE Position Changes)			
State Operations - Other Costs		18,100	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$296,800	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS		296,800	
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			
PRO/PRS		185,000	
SEG/SEG-S			
TOTAL State Revenues		\$185,000	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$296,800	\$
NET CHANGE IN REVENUE		\$185,000	\$
Agency/Prepared By		Authorized Signature	Date
SHS/ David Seligman (608) 264-6434		David Seligman (608) 264-6434	5/16/2007

Memo

To: Representative **Shilling**

(The Draft's Requester)

Per your request ... the attached fiscal estimate was prepared for your un-introduced 2007 session draft.

LRB Number: 2007 LRB-1222

Version: " /2 "

Fiscal Estimate Prepared By: (agency abbr.) TOUR

If you have questions about the enclosed fiscal estimate, you may contact the state agency representative that prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

Entered In Computer And Copy Sent To Requester Via E-Mail: 05 / 11 / 2007

*** * * * ***

To: LRB - Legal Section PA's

Subject: *Fiscal Estimate Received For An Unintroduced Draft*

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THIS DRAFT WAS INTRODUCED AS: 2007 _____

Barman, Mike

From: Barman, Mike
Sent: Friday, May 11, 2007 8:30 AM
To: Rep.Shilling
Cc: Houdek2, Nathan
Subject: LRB 07-1222/2 (un-introduced) (FE by TOUR - attached - for your review)

Attachments: FE_Shilling_2.PDF



FE_Shilling_2.PDF
(362 KB)

Mike Barman (Senior Program Assistant)
State of Wisconsin - Legislative Reference Bureau
Legal Section - Front Office
1 East Main Street, Suite 200, Madison, WI 53703
(608) 266-3561 / mike.barman@legis.wisconsin.gov

Fiscal Estimate - 2007 Session

Original
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LRB Number 07-1222/2	Introduction Number
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 checked="" type="checkbox"/> 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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<input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> 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
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<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
TOUR/ Laura Muenich (608) 261-8764	Laura Muenich (608) 261-8764
Date	
5/10/2007	

Fiscal Estimate Narratives

TOUR 5/11/2007

LRB Number	07-1222/2	Introduction Number	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 bill draft would require the Department of Tourism to promote travel to the certified downtowns and to the business areas that have been revitalized under the State Main Street Program.

The costs for promoting travel to these areas are indeterminate without more specific information.

Long-Range Fiscal Implications