

Fiscal Estimate Narratives

DNR 2/19/2018

LRB Number	17-5336/1	Introduction Number	AB-0964	Estimate Type	Original
Description providing funding, creating an individual income tax credit, and providing a levy limit exception for lead service line replacement and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a DNR program to provide financial assistance to municipalities for the replacement of public water system service lines containing lead. In addition, it creates a non-refundable state income tax credit and levy limit exception related to the replacement of lead service lines.

Fiscal Effect

1. Grants

The bill provides \$20 million annually for grants to municipalities. Local government costs would increase by \$5 million in order to meet the 25% match requirement identified in the bill.

2. Program Implementation

The bill would require 1.0 FTE to implement the program. Administrative rules will need to be developed, as will forms and processes for program implementation. Outreach activities will be needed, including web site development and maintenance, as well as computer database development and maintenance.

After initial program development, it is anticipated that the position will continue to be needed to manage the program, including review and processing of applications, web site maintenance, database entry, and payment processing - including entering requisitions and disbursing funds as costs are reimbursed.

Assuming a salary plus fringe rate of \$43.20/hr., annual costs for the position are estimated at \$89,900.

In addition to the position costs, an estimated \$12,500/yr. would be needed for transactional costs, contractor costs for programming, file storage and supplies, computer and monitor purchases, and maintenance costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5336/1		Introduction Number AB-0964	
Description providing funding, creating an individual income tax credit, and providing a levy limit exception for lead service line replacement and making an appropriation			
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	\$89,900		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	12,500		
Local Assistance	20,000,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$20,102,400		\$
B. State Costs by Source of Funds			
GPR	20,102,400		
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			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$20,102,400		\$5,000,000
NET CHANGE IN REVENUE	\$		\$20,000,000
Agency/Prepared By		Authorized Signature	Date
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